

employees injured and dependents of employees killed in certain maritime employment; to the Committee on the Judiciary.

3275. By Mr. SUMMERS of Washington: Petition signed by E. B. Irish and others, of Granger, Wash., protesting against the enactment of compulsory Sunday observance legislation; to the Committee on the District of Columbia.

3276. Also, petition signed by A. Beck and others, of Granger, Wash., protesting against the enactment of compulsory Sunday observance legislation; to the Committee on the District of Columbia.

SENATE

WEDNESDAY, December 8, 1926

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our heavenly Father, we come to Thee this morning with shadows about us. We realize that one has passed from earthly scenes. We fail to understand Thy dealings. There are times when we would know and we shall know. Minister, we beseech of Thee, to that family yonder. We think of the honored Member of this high body of men devoted to best interests. Comfort the sorrowing hearts. May each life be stayed on Thee and out of the shadows may there come the promise of the morning fullness.

Remember any who are in sorrow. Minister to each heart, we beseech of Thee, and may we hear the voice divine saying, "What I do thou knowest not now, but thou shalt know hereafter." May we be true to Thee, our Father, and however long or short may be our stay on this earthly scene may we make it evident that the highest purpose of our being is to honor Thee and to bless mankind. We ask every favor in Christ Jesus' name. Amen.

GEORGE WHARTON PEPPER, a Senator from the State of Pennsylvania, appeared in his seat to-day.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of yesterday's proceedings when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

DEATH OF SENATOR MCKINLEY

Mr. DENEEN. Mr. President, it is my sad duty formally to announce to the Senate that yesterday afternoon my late colleague, the Hon. WILLIAM BROWN MCKINLEY, died at Martinsville, Ind., after a lingering illness of nearly eight months.

Senator MCKINLEY served with distinction for 14 years in the House of Representatives and nearly 6 years in the Senate. This is not the proper time to speak of the services he rendered to the State of Illinois and to the country, nor to refer to the fine qualities of his character and the esteem in which he was held by his associates in Congress. At another time I shall ask that a day be set aside upon which proper tribute may be paid to his memory. For the present I offer the resolutions which I send to the desk and ask unanimous consent for their immediate consideration.

The resolutions (S. Res. 284) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with deep regret and profound sorrow the announcement of the death of Hon. WILLIAM B. MCKINLEY, late a Senator from the State of Illinois.

Resolved, That a committee of 15 Senators be appointed by the Vice President to take order for superintending the funeral of the deceased Senator.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The VICE PRESIDENT appointed as the committee under the second resolution Mr. DENEEN, Mr. ROBINSON of Arkansas, Mr. MOSES, Mr. OVERMAN, Mr. McNARY, Mr. FLETCHER, Mr. SHORTRIDGE, Mr. ASHURST, Mr. WELLS, Mr. BROUSSARD, Mr. FESS, Mr. HARRIS, Mr. ERNST, Mr. STEPHENS, and Mr. TYSON.

Mr. DENEEN. Mr. President, as a further mark of respect to the memory of my deceased colleague, I move that the Senate do now adjourn.

The motion was unanimously agreed to; and the Senate (at 12 o'clock and 5 minutes p. m.) adjourned until to-morrow, Thursday, December 9, 1926, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

WEDNESDAY, December 8, 1926

The House met at 12 o'clock noon and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed heavenly Father, we would turn our hearts toward Thee. We are comforted that Thy love springs from Thy compassion rather than from our merits. Behind the poorest mortal that trembles on the verge of wreck and ruin throbs the heart of the God of love! We thank Thee more than human lips can tell. Be Thou the power within ourselves, that we may contribute to the abiding realities of a great Nation. In every way enable us to be strong, unselfish, patriotic, and fearless in the defense of that which is right and in condemnation of that which is wrong. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

A message in writing from the President of the United States was communicated to the House of Representatives by Mr. Latta, one of his clerks.

CALENDAR WEDNESDAY

Mr. TILSON. Mr. Speaker, I ask unanimous consent that the business of Calendar Wednesday be dispensed with to-day.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that the business of Calendar Wednesday be dispensed with to-day. Is there objection?

There was no objection.

PRESIDENT'S MESSAGE—THE BUDGET FOR 1928

The SPEAKER laid before the House the following message from the President of the United States, transmitting the Budget for 1928, which was read and referred to the Committee on Appropriations and ordered printed:

To the Congress of the United States:

Herewith is transmitted the Budget of the United States for the fiscal year ending June 30, 1928. The receipts and expenditures shown in detail in the Budget are summarized in the following statement:

Summary (exclusive of postal revenues and postal expenditures paid from postal revenues)

	Estimated, 1928	Estimated, 1927	Actual, 1926
Receipts:			
Customs.....	\$601,800,000.00	\$616,800,000.00	\$579,430,092.86
Income tax.....	2,090,000,000.00	2,190,000,000.00	1,982,040,088.58
Miscellaneous internal revenue.....	568,985,000.00	619,685,000.00	855,599,289.26
Miscellaneous receipts.....	511,968,077.00	600,295,688.00	545,686,219.44
Total receipts.....	3,772,753,077.00	4,026,780,688.00	3,962,755,690.14
Total expenditures (including reduction of the public debt required by law to be made from ordinary receipts).....	3,572,049,214.00	3,643,701,593.00	3,584,987,873.50
Excess of receipts.....	200,703,863.00	383,079,095.00	377,767,816.64

In carrying out the purposes of the Budget system so wisely prescribed by the Congress in June, 1921, the executive branch and the legislative branch of the Government have been collaborators. It has been a great demonstration of cooperation made possible by our form of government. The results of this united effort have gone directly to the people of this Nation. The real object back of this united effort has been to make the greatest possible return to the people of the money which was taken from them to finance the World War. And this has been accomplished not to the detriment of the Federal service, not by the withholding of funds for necessary and worthy purposes, but to the advantage of that service and of the business of the people. It has required us to put our house in order and to provide for its management in a scientific business way, not alone for its current operations but also for its future requirements.

In the span of a little more than five years there have been three substantial reductions in taxes. The direct result of this has been that the people have been permitted to retain more of their own earnings for their own use and productive investment. And from this, and probably to a greater extent

than from any other cause, has come the great prosperity which now exists in almost all lines in this country.

In considering the question of further tax reduction there are many factors which should be taken into account. During the past five fiscal years the Treasury has had the benefit of receipts aggregating \$950,000,000 representing returns from moneys theretofore expended by the United States, and in addition there has been received \$400,000,000 from income taxes for past years in excess of refunds. In the present fiscal year the net income from these items represents about \$250,000,000 of our expected receipts. They are now about at an end, and in the fiscal year 1928 it is estimated the net return from this source will amount to less than \$50,000,000. We have come to the point, therefore, where we will have to rely for the future entirely upon current taxes. The yield from current taxes of the Federal Government is measured by the prosperity of the American people. When business is good and national income is high, our revenue from income taxes based upon a percentage of income is also high. But should the national income decline, the Government would experience a material loss of revenue even under existing rates of tax. Miscellaneous taxes and custom duties are dependent upon the purchasing power of the people, which also is subject to variation with prosperity, and we must expect a decrease in Government revenue from these sources with any drop in the purchases of the American people. Under these conditions our estimated surplus of \$200,000,000 for 1928 is none too large an operating margin in a business involving an annual expenditure of more than three and one-half billions of dollars payable from ordinary receipts, or more than four billions of dollars when we include our postal expenditures payable from postal receipts.

The revenue act of 1926 has been in effect but nine months, and the reduction in miscellaneous taxes has not yet been fully reflected in revenue. We have had too short an experience with the new law to permit an intelligent permanent reduction of tax rates. It must be clear to all that a permanent reduction of rates affects not only the current fiscal year, in which, as I have said, there are included nonrecurring items aggregating \$250,000,000, but the next and succeeding fiscal years in which nonrecurring items will no longer be material and when current taxes may feel the effect of any change in our prosperity. Business can easily adjust itself to less expenses brought about by less taxes, but it is much more difficult to make an adjustment for more expenses made necessary by more taxes. This is particularly true with respect to Federal taxes, since the necessity of imposing additional taxes would arise from a decline in prosperity which would decrease governmental revenue below governmental expenditures, a decline which must also affect all taxpayers. Increased taxes to meet Government requirements would come at a time not of prosperity but of depression, and would aggravate the depression. For these reasons I do not advise the present session of Congress to reduce permanently our tax rates or abolish any particular tax. Each of the three reductions in taxes which have been enacted by the Congress since the fiscal year 1921 have been predicated on an assurance that our financial condition warranted it. No such assurance can be given to-day as a warrant for future permanent tax reduction.

With our still enormous national debt amounting to nearly nineteen and one-half billion dollars, a surplus can be no embarrassment, since it can be applied without difficulty to the reduction of the interest-bearing obligations of the Government and thus effect a saving in interest costs. Interest is the largest single item of Government expenditure, and its decrease offers the most fruitful subject for permanent reduction of governmental expenditure. We have had since the close of the war an established program of debt reduction through the sinking fund and application of receipts from foreign debt settlements. This should not be disturbed. But surplus is a factor in debt reduction in addition to the items I have just mentioned. In considering the question of a lessening of the surplus for the current fiscal year it is necessary to weigh the desirability in the present of temporary relief to the American taxpayer against desirability in the future of greater debt reduction now. Should Congress be of the opinion that the surplus estimated for the current fiscal year based upon receipts expected to be received under the existing law is too large, then I suggest a temporary tax-reduction measure which will cut down this expected surplus by leaving the excess in the pockets of the American taxpayers.

In determining the form such temporary tax reduction should take, if the Congress proposes one, I believe we should adopt the simplest practical plan which will do equity. It is administratively difficult to consider any arrangement affecting the December 15, 1926, tax payment. Many individuals have already paid their income taxes in full, and time is too short

for action by Congress and by the Bureau of Internal Revenue before the December payment. It would not be practicable, either, to postpone the date of the December payment, since there are \$452,000,000 of United States certificates of indebtedness maturing on December 15, 1926, and the Treasury is relying upon cash to be received during that month to assist it in meeting this maturity. It has seemed to me, therefore, that the most practicable way of preventing the accumulation by the close of this fiscal year of a surplus larger than the Congress deems desirable is to authorize a reduction in the taxes which become due in the first six months of the next year; that is, a reduction on the quarterly tax payments due March 15 and June 15, 1927. The amount of this relief should depend upon the surplus which Congress may desire to divert from debt reduction to tax reduction. It is a problem on which the House under the Constitution must originate action.

With the experience of another year's test of the revenue act of 1926, and with a more accurate knowledge which the year will give of what the future has in store for a continuance of our prosperity, we can determine what our permanent policy of taxation shall be. In times of peace we must meet governmental expenditures out of governmental revenues. We should not take by taxation more than our requirements. But also we should not take less than our requirements.

In the Budget for the fiscal year ending June 30, 1927, transmitted to the Congress December 7, 1925, the estimated receipts for the fiscal year 1926 were \$3,880,716,942 and the estimated expenditures \$3,618,675,186. Actual receipts for that year were \$3,962,755,690.14, while actual expenditures totaled but \$3,584,987,873.50—an increase of \$82,038,748.14 in receipts over the Budget estimate, and a decrease in expenditure of \$33,687,312.50 below that estimate, which is approximately 1 per cent of the total expenditure. This increase in receipts and reduction in expenditure increased the estimated surplus by \$115,726,060.64—from \$262,041,756, the Budget estimate, to \$377,767,816.64, the actual surplus.

This brings us to the current fiscal year, of which five full months are now completed. The Budget for 1927 forecast for that year receipts \$3,824,530,203, and expenditures \$3,494,222,308.44, and indicated a surplus of \$330,307,894.56. This favorable forecast made one year ago now may be made even more favorable. With five months of the current year completed, the estimate is now that our receipts will amount to \$4,026,780,688 and our expenditures \$3,643,701,593, thus forecasting a surplus of \$383,079,095.

While the revised estimate for 1927 shows an increase of \$52,771,200 in the surplus, it also shows a net increase of \$149,500,000 in the estimated expenditure for that year.

This net increase embraces a number of items in which changes, both increases and decreases, have occurred in the year which has ensued since the original estimate was made. On the increase side of the new estimate the principal items are: Pensions, \$41,000,000; construction of public buildings and vessels under the Treasury Department, \$25,000,000; vocational rehabilitation, insurance, and compensation under the Veterans' Bureau, \$41,000,000; public debt reduction, \$50,000,000. The last-mentioned item was due to a corresponding increase in the estimated receipts of funds that are required by law to be applied to debt reduction as a result of new foreign funding agreements made during the year. The other items of increase are due principally to new legislation enacted during the year. On the decrease side the major items are adjusted-service certificate fund, \$24,000,000; increased receipts of the War Finance Corporation, applied to a reduction of expenditure, \$15,000,000; and interest on public debt, \$10,000,000. Part of the increase in estimated expenditure was provided by appropriations made during the last session of Congress. There remains to be provided at the present session of the Congress for the 1927 requirements of the Veterans' Bureau \$28,000,000, and for pensions \$41,000,000.

We now come to the estimates of appropriations for the fiscal year 1928. These are summarized in the following statement, in which they are compared with the appropriations for the fiscal year 1927:

Estimates of appropriations for 1928 compared with appropriations for 1927

	Estimates of appropriations, 1928	Appropriations, 1927
Legislative establishment.....	\$16,174,988.76	\$17,884,919.57
Executive Office.....	438,460.00	819,460.00
Independent establishments:		
Alaska Relief Funds.....	15,000.00	15,000.00
Alien Property Custodian.....	98,000.00	130,550.00
American Battle Monuments Commission.....	600,000.00	800,000.00

Estimates of appropriations for 1928 compared with appropriations for 1927—Continued.

	Estimates of appropriations, 1928	Appropriations, 1927
Independent establishments—Continued		
Arlington Memorial Bridge Commission	\$2,500,000.00	\$2,500,000.00
Board of Mediation	280,000.00	1,285,220.00
Board of Tax Appeals	570,000.00	614,224.64
Bureau of Efficiency	210,350.00	210,350.00
Civil Service Commission	1,002,742.00	1,001,502.00
Commission of Fine Arts	7,300.00	5,285.00
Employees' Compensation Commission	2,694,740.00	2,744,540.00
Federal Board for Vocational Education	8,165,230.00	8,210,620.00
Federal Power Commission	42,500.00	32,400.00
Federal Trade Commission	984,350.00	997,000.00
General Accounting Office	3,783,000.00	3,859,960.00
Housing Corporation	564,236.00	673,398.00
Interstate Commerce Commission	6,104,967.00	6,153,157.00
National Advisory Committee for Aeronautics	523,000.00	513,000.00
Public Buildings Commission		260,000.00
Public Buildings and Public Parks of the National Capital	2,422,950.00	2,306,850.00
Smithsonian Institution and National Museum	909,871.00	893,301.00
Tariff Commission	682,000.00	699,000.00
United States Geographic Board	3,945.00	345.00
United States Shipping Board	12,290,000.00	24,198,574.00
United States Veterans' Bureau	475,400,000.00	462,965,000.00
Other independent offices, etc.		161,000.00
Total, Executive Office and independent establishments	520,402,641.00	521,049,936.64
Department of Agriculture	144,487,820.00	139,635,823.00
Department of Commerce	35,240,430.00	30,632,847.00
Department of the Interior	285,717,596.00	252,962,318.00
Department of Justice	25,895,349.50	25,628,707.00
Department of Labor	8,558,540.00	9,561,305.00
Navy Department	313,815,500.00	322,061,975.00
State Department	11,969,119.41	17,357,062.64
Treasury Department	170,468,453.00	176,637,465.63
War Department, including Panama Canal	366,722,142.00	354,345,801.16
District of Columbia	38,519,869.00	36,532,128.00
Total ordinary	1,937,972,448.67	1,904,240,288.64
Reduction in principal of the public debt:		
Sinking fund	354,157,085.00	336,058,208.26
Redemption of securities from Federal reserve bank and Federal intermediate credit bank franchise tax receipts	800,000.00	1,000,000.00
Redemption of bonds, etc., received as repayments of principal and as interest payments on obligations of foreign governments	208,672,475.93	232,923,596.58
Principal of the public debt	563,629,560.93	569,981,804.84
Interest on the public debt	755,000,000.00	785,000,000.00
Total payable from the Treasury	3,256,002,009.60	3,259,222,093.48
Post Office Department and Postal Service, payable from postal revenues	757,969,115.00	738,805,303.00
Total, including Post Office Department and Postal Service	4,014,571,124.60	3,998,027,396.48

¹ Appropriations for the Railroad Labor Board for 1927 were made available for expenses of the Board of Mediation.

This statement indicates that the estimates of appropriations for 1928 payable from the Treasury are \$2,600,000 less than the appropriations for 1927. The estimates for 1928 do not include the amount which will be required in that year, in addition to existing appropriations, for carrying out the public building act of May 25, 1926. An estimate for this purpose, which will amount to approximately \$20,000,000, will be submitted to the Congress later, as all of the essential data has not yet been assembled. On the other hand, the appropriations for 1927 do not take into consideration certain lawful obligations for that year for which it will be necessary to present supplemental estimates to the Congress.

TAX REFUNDS

The appropriations for 1927 and the estimates for 1928 make no provision for tax refunds. There will be needed for the balance of the current year \$119,000,000 and for 1928 the sum of \$152,000,000, approximately. There has been spent this year for this purpose \$34,775,000, so that the expenditures for the two years will fairly balance. The appropriations for this purpose have been completely exhausted. A supplemental estimate to provide for refunds up to and including December, 1927, will be presented to Congress.

NATIONAL DEFENSE

The estimates for the War and Navy Departments total \$680,537,642. In addition to this they provide for availability through contract authorizations and allotments from the naval supply account of \$5,900,000. Eliminating all nonmilitary items, including the retired lists, this Budget provides \$574-

000,000 for our national defense. This is a very considerable amount to spend for protection in time of peace. No threatening cloud at the present time darkens the sky. Our intent and attitude is one of peace and friendly regard toward all nations and peoples. This, however, is not sufficient warrant to neglect our defense and default on necessary precautions. In recommending the amount herein carried for the Army and Navy and other national-defense factors, I am fully satisfied that with the wise administration we have reason to expect from those charged with its expenditure it will give us an adequate defense program.

With regard to personnel the estimates provide for the Army an average of 11,961 commissioned officers, 1,153 cadets, 1,219 warrant officers, and 115,000 enlisted men, exclusive of the Philippine Scouts, for which provision is made to the number of 6,882. For the Navy provision is made for an average of 7,231 commissioned officers, 1,479 warrant officers, 1,545 midshipmen, and 82,500 enlisted men; and for the Marine Corps 1,020 commissioned officers, 155 warrant officers, and 16,800 enlisted men. These, with our highly trained and efficient National Guard, for which the estimates make provision for an average personnel of 180,000, give us the rather formidable strength of 426,945. But we do not stop here. The estimates contain funds for the War Department for the training of 12,924 reserve officers, for the attendance of 30,000 men at civilian military training camps, and for the enrollment of 116,141 students in the units of the Reserve Officers' Training Corps. Under the Navy Department provision is made in the estimates for 14,142 fleet and assigned fleet reserve of the Navy and Marine Corps and the training of 11,145 Navy and Marine Corps reserves.

Taking all of these into account, we are really making provision for military and naval strength of more than 610,000 men. And this does not take into consideration the military and naval retired lists which embrace 14,167 officers and men, or the Coast Guard of 11,969 officers and men which, in time of emergency, becomes an integral part of our national defense. I am in favor of adequate military preparedness, and so far as personnel is concerned we should certainly have this from the funds carried in these estimates.

While on the subject of our national defense it is proper to state that no provision is made in the estimates for the Navy Department for commencing the construction of the remaining three of the eight light cruisers which the act of December 18, 1924, authorizes to be undertaken prior to July 1, 1927. This country is now engaged in negotiations to broaden our existing treaties with the great powers which deal with the elimination of competition in naval armaments. I feel that it would be unfortunate at this time and not in keeping with our attitude toward these negotiations to commence the construction of these three cruisers. Rather do I recommend to the Congress the enactment of legislation which will extend the time for beginning their construction.

With regard to the improvement of Pearl Harbor, Hawaii, an appropriation of \$1,000,000 is available this year for commencing dredging operations. Bids covering the completion of this Navy project will be opened during the current month. A supplemental estimate will be submitted should it be found that additional funds for 1928 are needed for the orderly prosecution and early completion of this important project.

AVIATION IN NATIONAL DEFENSE AND IN COMMERCE

The Congress has recently prescribed a well-digested and orderly program for the further development of the Air Services of the Army and Navy. The estimates herewith make adequate provision for carrying this program into effect. They provide for the immediate availability of certain amounts for the Air Corps of the Army so as not to delay the inauguration of the five-year program. As the act defining the Army aircraft program was not approved until July 2, 1926, there was no opportunity to present to the Congress at its last session an estimate for funds fully to carry into effect the first increment during the fiscal year 1927. The estimates submitted herewith make ample provision for carrying into effect that part of the program for 1927 and 1928 which orderly and efficiently can be accomplished. They do not, however, make provision of funds for two full yearly increments, as I do not believe it is the desire of the Congress that we attempt to crowd into less than one and one-half years a full two-year increment. The act of July 2, 1926, increases the authorized commissioned strength of the Air Corps of the Army by 403 officers in yearly increments over the period of the five-year program. No provision for any of these additional officers is made in these estimates, as the Air Corps should first absorb the additional 328 officers necessary to bring its actual strength—919—up to the authorized strength—1,247—under the old law. These 328 additional offi-

cers are to be provided from the commissioned force for which provision is made in these estimates. The additional enlisted men authorized for the Air Corps are provided for in the enlisted strength of 115,000 men.

The Navy five-year air program approved June 24, 1926, authorized the construction of two rigid airships of approximately 6,000,000 cubic feet volume, the two to cost not in excess of \$8,000,000. The act provides that the building of one of these ships shall be undertaken as soon as practicable and prior to July 1, 1928. Having in mind that the Congress recently appropriated \$300,000 for the construction of an all-metal airship for experimental purposes, to determine by practical demonstration the type of construction and character of material to govern in the future in the making of lighter-than-air craft, it is thought the part of wisdom to wait upon this determination, even though it may be found necessary to ask for an extension of the time limit placed on the initiation of work on one of the ships.

Briefly summarized, provision is made in this Budget under the appropriation items for the Air Services and other items which enter into the cost thereof for a total of \$73,477,380 for aviation of the Army and the Navy. This amount embraces \$20,600,000 for the procurement of new planes and \$2,400,000 for the construction of barracks and quarters at aviation fields. It does not, however, include the value of supplies available from war surplus, which would increase this total by a number of millions of dollars.

While discussing the subject of our Air Services, it is proper here to refer to the other provisions made in this Budget for air navigation. To carry into effect the act to encourage and regulate the use of aircraft in commerce, approved May 20, 1926, the estimates carry for the Department of Commerce \$796,250 for the promotion of air commerce and regulatory work, which includes funds for the procurement of not to exceed 10 airplanes, and \$3,219,500 for the establishment and maintenance of aids to air navigation. The estimates carry \$523,000 for the National Advisory Committee for Aeronautics. Under the Department of Agriculture they provide \$50,000 for the maintenance and operation of airplane patrol in the national forests and \$120,000 for special weather observations for the benefit of air navigation. The estimates for the Postal Service carry for the operation of the air mail service between New York and San Francisco \$2,350,000, with provision that a part of this sum be made available for contract service if the route be leased to private operators and for the contract air mail service \$2,000,000. The estimates for the Coast Guard carry \$186,151 for the operation of its seaplane fleet.

The proper development of the aeronautical industry in this country is essential both to our national defense and commercial aviation. The Federal requirements for aircraft alone are strengthening this industry. The program which the Congress has prescribed for our air forces will assure the industry continuing Federal business and an increase from other sources should accrue to the industry from the legislation for the encouragement of commercial aviation and from the policy which we are following of making contracts with private operators for the air transportation of mail. The Government is operating but one air mail route and proposals have been issued by the Post Office Department with a view of placing this route under contract for operation by private interests. In the production of airplanes and accessories there is no competition between the Federal Government and private industry. It is a fortunate situation when the needs of the Government can be met by affording an orderly stimulation of the industry upon which we depend to supply our needs. The present sound condition of the aeronautical industry in this country shows the wisdom of the policy which we are following. If there is any question as to the failure of our Government to recognize the importance of aviation in national defense and in commerce the answer can be found in the vast sums which heretofore have been appropriated and the legislation enacted by the Congress. The estimates contained in this Budget carry alone for this purpose a total of more than \$82,500,000.

SHIPPING BOARD

There is included in this Budget \$12,000,000 for the operating deficit of the Shipping Board. It is believed this amount, reenforced by certain receivables and other available resources, with reduction of losses through sales of lines as opportunity offers, as contemplated by the Congress, will permit necessary operation of the Government's merchant marine during the fiscal year 1928. From 1921 to 1926, inclusive, the total net loss incurred in the operation of its various lines was \$238,157,582.18. These figures represent losses sustained through the operation of the active fleet and the maintenance of inactive vessels. I mention this to show that in the six fiscal

years from 1921 to 1926, inclusive, the Government has spent in the operation of its merchant marine an average of nearly \$40,000,000 a year. The losses have been gradually diminishing each year. Provision is also made for continuing the availability of the \$10,000,000 defense fund appropriated in the first session of this Congress.

With regard to the operation of vessels by the Shipping Board, the merchant marine act of 1920 contemplates that such operation shall be maintained unless it shall appear within a reasonable time that the lines or parts thereof can not be made self-sustaining. None of the lines now being operated are self-sustaining, and while the reduction in cost has been helpful from the standpoint of the Treasury, there is no immediate prospect that any part of these lines can be operated without loss to the Government.

Under the joint resolution of July 3, 1926, the United States Shipping Board will present to the Congress not later than January 1, 1927, two plans for building up and maintaining an adequate merchant marine for commerce and national security—one through private capital and under private ownership and the other through construction, operation, and ownership by the Government. The time is approaching, if it has not already been reached, when the Congress should give consideration to the formulation of a more definite policy regarding our merchant marine. Such definite policy, I trust, is foreshadowed in the resolution to which I have referred.

ERADICATION OF TUBERCULOSIS

For the eradication of tuberculosis in animals an estimate for \$5,853,000 is included in the Budget. This is an increase of \$1,200,000 over the amount provided for the current year. The continuing increase in the number of cities which have placed embargoes against milk from dairy herds which have not passed the Federal tuberculin test is placing a heavy burden on the owners of dairy herds, since slaughter of infected animals is the accepted method of eradication. The furnishing of pure milk is of vital importance to the health of the people. Because of its interstate character, it is entirely proper that the Federal Government share with the States the cost of protecting the purity of this great food supply. The amount included in the estimates should permit adequate prosecution of the work of eliminating tubercular cattle from dairy herds.

The results of the work already done warrant the belief that we can confidently expect the complete elimination of this menace to health. With this hope and probability in mind there certainly is no excuse or warrant for State or Nation to withhold the funds necessary to effectively carry on this important campaign.

FOREST CONSERVATION

The estimates carry a total of \$22,037,984 for the protection, preservation, and conservation of our forests. The forest acreage in the United States is approximately 372,426,000 acres, of which 158,000,000 acres are in the national forests. With such generous forest resources we have been prone to consider the supply of forest materials inexhaustible. The constantly increasing demands to meet our growing needs, however, and the destruction of forests by fire are arousing apprehension that in the comparatively near future industry may be seriously handicapped for lack of forest products. Important remedies to meet this situation are fire prevention and reforestation. Throughout the forest regions cooperative work in connection with protection of timber and reforestation of lands has been highly developed. In many of the States it is compulsory on private owners. The Clarke-McNary law contemplates that the Federal Government as beneficiary in this cooperative work contribute approximately one-fourth the cost. Since forest products enter so largely into the necessities of all of our people, it is proper that the Federal Government stand ready to bear its share of the needed conservation of our timber resources. The increased estimates for forest activities now submitted have that end in view. The recent heavy losses by fire must be met by a deficiency appropriation, which will approximate \$2,000,000. With further protective measures, it is hoped such large deficiency appropriations may be avoided in the future.

The estimates also include \$1,000,000 for the acquisition of land at the headwaters of navigable streams. While this item is primarily for the conservation and control of water, the project bears an important relation to forest conservation. There is now pending in Congress a bill to authorize an appropriation of \$2,000,000 a year for the fiscal years 1928 and 1929 for this purpose. In the event of the passage of this bill consideration will be given to the submission of a supplemental estimate of \$1,000,000 for this purpose.

RURAL POST ROADS

For cooperative construction of rural post roads to June 30, 1928, the amount of \$765,000,000 has been authorized by the Congress. The estimates carry \$75,000,000 for 1928, which is the total authorization for that year. This amount would bring total appropriations to \$666,200,000—\$98,800,000 less than the amount authorized. In view of the authority granted the Secretary of Agriculture to enter into contractual obligations for the total authorization, it is necessary only to appropriate in each fiscal year the funds required to pay for current work. The construction program is not delayed by this method. In view of the increasing ability of the States to finance their own road construction, due to the general adoption of the gasoline tax, I renew my recommendation of a year ago that future legislation restrict the Federal Government's participation in State road construction to primary or interstate highways, leaving it to the States to finance their secondary or intercounty roads. This would operate to diminish the amount of the authorizations after the fiscal year 1929, when the present authority expires.

MATERNITY AND INFANCY

No estimate is submitted for carrying on the work under the maternity and infancy act, approved November 23, 1921, inasmuch as the authorization of appropriations for this purpose was fulfilled with the appropriation for 1927. A bill is now pending before the Congress extending the provisions of that act to the fiscal years 1928 and 1929. If and when that measure becomes law I propose sending to the Congress a supplemental estimate for an appropriation to make its provisions effective. I am in favor of the proposed legislation extending the period of operation of this law with the understanding and hope that the administration of the funds to be provided would be with a view to the gradual withdrawal of the Federal Government from this field, leaving to the States, who have been paid by Federal funds and schooled under Federal supervision, the privilege and duty of maintaining this important work without aid or interference from the Federal Government.

I have referred in previous Budget messages to the advisability of restricting and curtailing Federal subsidies to the States. The maternity act offers concrete opportunity to begin this program. The States should now be in a position to walk alone along this highway of helpful endeavor, and I believe it in the interest of the States and the Federal Government to give them the opportunity.

ENFORCEMENT OF PROHIBITION

For the enforcement of prohibition nearly \$30,000,000 is provided in the Budget by direct and indirect appropriations. The Coast Guard has been enlarged and strengthened to enable it to prosecute effectively its part of the campaign of enforcement, while the other enforcement agencies have been amply financed. Whatever is necessary to put into effect the expressed will of the people as written into the eighteenth amendment of the Constitution of the United States and the will of the Congress as expressed in the Volstead Act will be done. Whatever funds may be necessary to vindicate the law and secure compliance with all its provisions should be provided. The constitutional duties of the President and the Congress make any other course indefensible.

RIVER AND HARBOR WORKS

This Budget carries \$66,347,600 for the improvement and maintenance of existing river and harbor works, flood control, operation and care of canals, and other works of navigation. This does not include the maintenance and operation of the Panama Canal, for which \$7,600,000 is recommended. For rivers and harbors proper the sum of \$50,000,000 is asked. To complete approved projects, \$195,000,000 will be required. Of the \$50,000,000 contained in the Budget slightly more than \$30,000,000 will be available for improvement and new construction. At this rate we will complete authorized projects in something less than seven years. We are providing \$50,000,000 annually for river and harbor work and \$10,000,000 annually for Mississippi flood control. Commitment of the Federal Government at this time to a more ambitious and generous annual spending program should not be made without the most careful study of the financial condition of the country and the plight of the taxpayer.

RELIEF OF VETERANS

For the relief, care, and comfort of the veterans of our various wars and their dependents I am recommending in this Budget a total of nearly \$705,000,000. This total includes pensions, adjusted compensation, and all other factors, direct and indirect, that enter into this great patriotic service the Government owes its defenders. There can be no thought of curtailing this work of appreciation, this willing attempt to pay

the Nation's debt. It may be wise, however, to call a halt at this time with regard to additional legislation for the veterans. It may be in the interest of the beneficiaries to permit existing provisions for their care and the care of their families to rest undisturbed for a period, at least until we can definitely determine what deserving need is unprovided for. What the veterans need it is a privilege to give, and the giving should crowd the heels of the need when determined.

CIVIL SERVICE RETIREMENT

Neither the estimates of expenditure nor the estimates of appropriations contained herein include any amount for meeting the accrued liability of the Government to the civil service retirement and disability fund. The pay-as-you-go policy should apply to this fund and an appropriation be made to meet the accrued liability of the Government. The act of Congress approved July 3, 1926, provides for the annual submission of a Budget estimate of appropriation for this purpose. Such an estimate, however, requires an actuarial valuation of the fund under the new law. This valuation is under way but is not yet completed. When completed, I shall submit to the Congress an estimate of the amount required for the fiscal year for this purpose.

FEDERAL BUILDING

The Congress has made wise and substantial provision for the construction of much-needed Federal buildings, both at the seat of government and in the States. Contemporaneously with this the Congress made similar provision for our foreign building requirements and also for permanent housing at our military posts and stations. These measures give us a much-needed construction program. The funds which we spend to complete this program will be a good investment and bring us adequate return.

SPECIAL FUNDS AND ACCOUNTS

In addition to the usual statements giving information of the financial transactions of the establishments of the Government for which annual appropriations are made, the 1928 Budget carries a comprehensive summary of the financial status of a considerable number of special funds, accounts, and authorizations operated either by Government agencies direct or under some form of Government supervision and responsibility. This summary makes available information concerning the financial condition of various Government institutions not heretofore published in readily available form.

THE NATIONAL DEBT

The reduction in the total gross debt for the fiscal year 1926 was \$872,977,572.71. This was effected by (1) \$487,376,050.69 on account of the sinking fund and other debt retirements chargeable against ordinary receipts; (2) application of the entire surplus of \$377,767,816.64; and (3) reduction in the general fund balance of \$7,833,705.38 below the balance at the close of the previous fiscal year.

In the past five fiscal years the debt reduction aggregated \$4,334,000,000, and in June, 1926, reached a level below twenty billions for the first time since November, 1918. The short-dated debt required to be paid or refunded in three and one-half years, which includes the third Liberty loan, amounted on June 30, 1926, to 4.7 billions, as compared with 6.1 billions at the close of the previous fiscal year. The decrease of 1.4 billions in this part of the debt has strengthened the position of the Treasury for the refunding operations necessary in connection with the third Liberty loan, which matures on September 15, 1928, and is not callable before that date.

The interest payment on the debt, the largest single item of our expenditures, amounted to \$832,000,000 in 1926, as against \$999,000,000 in 1921, a decrease of \$167,000,000, or nearly 17 per cent. For 1927 the estimated expenditures are \$785,000,000 and for 1928, \$755,000,000.

The World War Foreign Debt Commission has substantially completed the duties imposed upon it by Congress. Eliminating certain debtors with which negotiations are not now practical, funding agreements have been signed with all of those nations owing the United States on account of loans made during and after the war. All of the settlements have been ratified by Congress except those with France and Yugoslavia, and in these cases the House of Representatives has acted, but the bills are still pending in the Senate. But the French settlement has not yet been taken up by their Parliament. In general, uncertainty with respect to war debts has ended.

ALIEN PROPERTY LEGISLATION

By the Paris agreement the United States has participated officially in the restoration of Germany. Through the Federal reserve system and through our bankers and private American citizens, we have been of assistance in the progress of financial restoration of many countries in Europe. The American spirit, characteristic of construction, will, I feel

sure, be an active help in further plans to put other countries in sound condition. Europe is progressing and is reaching again peace condition.

There remains still for the United States to settle a series of related questions now unanswered, but which already have the attention of Congress. These questions are three, and have to do principally with Germany, although similar matters, but lesser in amount, also involve Austria and Hungary. As a war measure the President, through the Alien Property Custodian, seized the private property of enemy nationals, and to a large extent this property is still held by the custodian awaiting disposition by Congress. Under her treaty of peace with us, Germany undertook to reimburse American nationals and the United States Government for losses and damages occasioned by Germany. By the treaty the property of German nationals seized and held in this country is pledged as security for the payment of the claims of American nationals against Germany, and by arrangement between the two countries a mixed German-American commission has been constituted to pass upon the merits of the claims and is now completing its awards.

Germany's obligations to pay reparations were in excess of her immediate capacity, and her creditors devised for her reorganization a plan and method of payment a part of which accrues to the United States. This plan, in the opinion of its framers, constitutes the maximum that Germany can immediately pay to her former enemies and of necessity represents holding in abeyance some of Germany's obligations. Under this plan the amount applicable to the immediate payment of the American claims is as a practical matter inadequate. Some other way will have to be found to insure prompt payment to our nationals for their losses.

Also as a war measure the United States seized and used ships, radio stations, and patents belonging to German nationals and found in the United States. The moral obligation to return the private property or its proceeds in the hands of the Alien Property Custodian to its German owners is equally applicable to the payment of compensation for the ships, radio stations, and patents or proceeds received from their disposal. We should treat the two situations alike.

Congress should enact into law during the present session a fair and comprehensive plan for the settlement of these three questions. Without here suggesting the details of any particular plan, I believe that a correct solution of the problem is controlled by two principles. The Supreme Court of the United States has held in effect that it is within the legal rights of Congress to make such use of the property of German nationals which the United States has seized as Congress may desire. It might, therefore, apply the proceeds of this property belonging to German nationals to the payment of the obligations of the German Government to the United States and to our nationals, thus satisfying American claims. In my opinion such a course is not consistent with the American ideal of the sanctity of private property of nationals, even though their Government may be at war with us. Sound American policy is opposed to the application of the property of German nationals to the payment of the debt of their Government. This is the first principle. If the policy I have just mentioned is right, as I believe it to be, then the cost of its adoption must be borne by the whole people, and the policy can not be affirmed at the sacrifice of the rights of only a part of the people—the American claimants against Germany. The alien property is pledged as security for the payment of the American claims. If the United States deprives the American claimants of their security it can only do so fairly if it substitutes for this security practical assurance of ultimate payment of the American claims. The United States should do justice to German nationals, but it must not do justice to Germans by doing injustice to our own American nationals. This is the second principle. Within these principles I feel sure that means will be found to accomplish a solution of the questions fair to all and consistent with American policies.

CALVIN COOLIDGE.

THE WHITE HOUSE, December 6, 1926.

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that this day they presented to the President of the United States for his approval the following bills:

H. R. 9039. An act to amend section 8 of the act approved March 1, 1911 (36 Stat. p. 961), entitled "An act to enable any State to cooperate with any other State or States, or with the United States, for the protection of the watersheds of navigable streams and to appoint a commission for the acquisition of lands for the purpose of conserving the navigability of navigable rivers";

H. R. 10547. An act to require the filing of an affidavit by certain officers of the United States;

H. R. 10739. An act to prevent purchase and sale of public office; and

H. R. 11119. An act to alter the personnel of the Public Utilities Commission of the District of Columbia, and for other purposes.

THE THREE HUNDRED AND THIRTY-NINTH BIRTHDAY OF VIRGINIA DARE

Mr. WARREN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by incorporating a speech made by the British ambassador and one by myself.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to extend his remarks in the Record by incorporating a speech made by the British ambassador and one by himself. Is there objection?

There was no objection.

Mr. WARREN. Mr. Speaker, on August 18 last a notable ceremony took place at Fort Raleigh, Roanoke Island, N. C., when the three hundred and thirty-ninth anniversary of the birth of Virginia Dare was appropriately celebrated. At the first session of the present Congress a bill was signed by the President authorizing the erection of a tablet at this historic spot to commemorate the birth of the first child of English parentage to be born in America. The speaker at the exercises this year was the British ambassador to the United States, Sir Esme Howard, and in spite of the geographical isolation of Roanoke Island, a crowd estimated at 10,000 gathered there to pay their tribute to this great event in our history.

Under the authority heretofore given I wish to extend my remarks by inserting in the Record a brief account of the exercises, together with the speech of the British ambassador, and a speech made by me introducing him:

PROCEEDINGS AT FORT RALEIGH, ROANOKE ISLAND, N. C., ON AUGUST 18, 1926, AT THE THREE HUNDRED AND THIRTY-NINTH ANNIVERSARY OF THE BIRTH OF VIRGINIA DARE, THE FIRST CHILD OF ENGLISH PARENTAGE TO BE BORN IN AMERICA

The exercises were opened by the president of the Roanoke Colony Memorial Association, Right Rev. Joseph Blount Cheshire, bishop of the Episcopal Diocese of North Carolina. After music by the Hampton Roads Naval Band, the invocation was said by Right Rev. Thomas C. Darst, bishop of the Episcopal Diocese of East Carolina. Judge Francis D. Winston, of North Carolina, presented to the audience a long list of distinguished visitors, among them being Commander Knothe, of the British Navy; Commander Yeandle, of the United States Coast Guard; Commander Jones, of the *Apache*; former Secretary of the Navy Josephus Daniels, Representative and Mrs. John H. Kerr, Representative Charles L. Abernathy, Mrs. Lindsay C. Warren, Representative and Mrs. Homer L. Lyon, all of North Carolina; and Representatives S. O. Bland and J. T. Deal, both of Virginia; and Representative A. H. Gasque, of South Carolina; former Representative and Mrs. John H. Small, Mr. Mangum Weeks, of the State Department, and Hon. John G. Dawson.

After the singing by the audience of the international hymn, which was composed especially for the occasion, Bishop Cheshire introduced Representative LINDSAY C. WARREN, of North Carolina, who, after first reading the following letter from President Coolidge, made an address:

THE WHITE HOUSE, Washington.

HON. LINDSAY C. WARREN,

House of Representatives.

MY DEAR MR. WARREN: I consider it most fitting for Congress to honor the memory of Virginia Dare, the first child of English parentage to be born in America, by providing for the erection of a tablet at Sir Walter Raleigh's Fort on Roanoke Island, N. C. And it is appropriate that this should be dedicated on August 18, if possible, which will be the three hundred and thirty-ninth anniversary of her birth.

History records that the first attempt of the English to establish a colony in this country failed, and the fate of the colonists has remained a mystery to this day. In honoring the memory of Virginia Dare we are bound to remember the hardships and tragic fate of that colony, of which her parents were a part. Those early settlers represented the indomitable and fearless spirit which has made England stand out in history as a great colonizer.

Will you please extend my greetings and very best wishes to those participating in the happy event in August?

Very truly yours,

CALVIN COOLIDGE.

ADDRESS OF CONGRESSMAN LINDSAY C. WARREN, OF NORTH CAROLINA

Bishop Cheshire, distinguished guests, and ladies and gentlemen, while the Nation is celebrating its Sesquicentennial at Philadelphia we here to-day are going nearly 200 years back of that event to pay tribute to the valor and indomitable courage of those who made a Nation possible. The great historian Gosse has said that August

17, 1585, the date of the landing of the first colony, is in truth the birthday of the American people.

Upon this little island the first of the English set their feet, built their dwellings, sowed their crops, and performed their religious devotions in the Western World. Upon its soil landed the first English women who crossed the ocean to find homes upon the newly discovered continent, and here was born and christened the first English child who saw the light of day in the New World. Here the customs, laws, and language of England were first transplanted and struck their roots in the soil.

The colonists, although never again to see the shores of the motherland rise from the sea, were still bound to her by all the ties of language, friendship, and blood. "They changed their climate—not their affections—who crossed the sea."

No record has come down to tell us the story of their wanderings or of their fate; whether the savage destroyed them or the vast wilderness swallowed them up. It is shrouded in mystery and tinged with romance, and historian and poet have found it an inviting theme.

At this time was laid the foundation of England's supremacy upon the sea, with all its cost of suffering, treasure, and blood, until, in the splendid lines of Kipling, it has become both her "doom and pride."

It was the great age of Elizabeth—great in discovery, science, learning, literature, and in all the arts of peace, and great in glorious feats of arms upon both land and sea. Its intellectual splendor will shed its light through the ages yet to come. It was the age of Walsingham and Cecil in statecraft; of Spenser, Bacon, and Shakespeare in letters; of Coke in law; of Gilbert, Frobisher, Grenville, Raleigh, and Drake upon the sea. It was a time of restless energy and activity in the mental and physical world. It was the day of conquest. All ages have their delusions which lead men on, and this age sought the fountain of youth and the treasures of El Dorado, but the more farsighted were moved by an ambition to extend the power and dominion of England by planting colonies in the Western Hemisphere, and to check and humble the growing power of Spain. And how fortunate was it for America and for humanity that this first lodgment on our coast was by a race ardently attached to freedom and personal liberty and trained to the usages and customs of the realm of England. This colonizing policy of England was to become in other ages the source of her true glory and strength.

Indissolubly associated and linked with this coast and island is the name of Sir Walter Raleigh, for whom we have named the capital of our State. The mere mention of his name thrills every true American with memories of his accomplishments and versatility. He was the favorite of the queen and she conferred upon him every mark of her regard and affection. Although fond of dress and show he was not enervated by the pleasures of the court and did not become a mere courtier of a capricious sovereign. His means were abundant and he used them largely in adventure and discovery and in extending the power and dominion of England upon land and sea. He was a man of many and widely different gifts and talents and was profound in all lines of thought. He entered and explored all fields. He was statesman, poet, philosopher, historian, sailor, soldier, and captive. He went to his death like a hero and martyr. Mr. Gosse has said of him:

"To close students of the reign of Elizabeth he will still be the man who had more genius than all the privy council put together. But he would not be to us all the embodiment of the spirit of England, the foremost man of his time, the figure which takes the same place in the field of action which Shakespeare takes in that of imagination and Bacon in that of thought. For this something more was needed, the long torture of imprisonment, the final crown of judicial martyrdom. The slow tragedy closing on Tower Hill is the necessary complement to his greatness."

And yet in all his voyages Sir Walter Raleigh did not come within the waters of North Carolina or stand upon her soil, but he made it possible for the first child of his race to be born on this continent.

That the light of civilization kindled here failed and that the repeated efforts to plant the colony ended in disaster counts for nothing. The history of the Anglo-Saxon is full of failure, but each failure has marked a surer and firmer advance. It illustrates the fiber and splendid tenacity of the race. Here was the first feeble effort to possess and colonize by Englishmen the New World, and which in the long result of time was to bring forth the great galaxy of States forming the American Union. Upon this soil once watered by fratricidal strife let us celebrate the endurance, the courage, and the history of a common ancestry.

In selecting a speaker for these annual exercises it was deemed appropriate on account of the national recognition of the significance of this epoch in history to bring here the representative in this country of the great English nation. The bond of friendship that has linked England and America together now for over a hundred years is nowhere more esteemed and cherished than in North Carolina. We believe that the destiny of the world and the fate of civilization is not so much

dependent upon leagues of nations and world courts as it is upon the continued friendship and mutual understanding of the English-speaking race.

You are here to-day, sir, in a State that cherishes its old traditions. The whole eastern section of it was settled almost exclusively by your countrymen. With deference to my colleagues, it has been said that the purest Anglo-Saxon blood on the American Continent is to be found here in the first congressional district of North Carolina. It is a State that is proud of its ancestry, and it has kept its blood pure and undefiled. It later became one of the most obstreperous colonies of the Crown, for the fierce desire for liberty that has characterized the English race the world over, beat with unabated fury on this soil. With all of its great progress in every line of endeavor it has not been unmindful of its rich heritage from across the seas. I welcome you to North Carolina. I am commissioned by our governor, whose unavoidable absence is so much regretted, to express the pleasure of our people in your visit here.

And now, ladies and gentlemen, I present to you our distinguished guest. He is a worthy successor of that long line of great men who have so ably represented the British Empire at Washington. He is now at the zenith of a career that has carried him in the capitals of the world. As a statesman, scholar, and diplomat he has already made his impress upon the American people. I introduce the ambassador from the Court of St. James, His Excellency Sir Esme Howard.

Ambassador Howard read the following message from Hon. Stanley Baldwin, Prime Minister of Great Britain:

"Every Englishman can not but feel a thrill in contemplating the first efforts made nearly 350 years ago to settle the Continent of North America with men of English blood and English speech. Though unsuccessful at first, it was those efforts which led finally to the establishment of the United States of America, and so changed the history of the world.

"With most cordial greetings to the citizens of that great country so closely connected in many ways with Great Britain, and especially to all those present at the celebration on the 18th of August on Roanoke Island, I join in paying homage to the memory of those courageous men and women who braved hardships and death in this great adventure, and I salute the name of Virginia Dare, the first child of English blood to be born and baptized on the American Continent."

ADDRESS BY THE BRITISH AMBASSADOR, SIR ESME HOWARD

The place on this continent where the first child of British parents was born and baptized must have something specially sacred in the eyes of any Englishman and be worthy of a pilgrimage. That, at least, was my feeling about it, and therefore when your Representative in Congress, Mr. LINDSAY WARREN, so kindly asked me to come here to-day I felt that I could not lose so excellent an opportunity of paying my respects to the memory of Virginia Dare, the child of whom we know only that she was born and baptized here, and beyond that nothing. In very truth a protoplasm, an humble germ of this mighty race of English-speaking Americans, which in less than 350 years has spread over practically the whole of this vast North American Continent.

It would be easy and obvious to expatiate on the almost miraculous speed and success, after the first few failures, of this greatest of all colonial achievements; but this I do not care to do here any more than I wish to speak of the expeditions sent out again and again by Sir Walter Raleigh in his effort to found a great name for himself and a great dominion for his country on this side of the Atlantic. Raleigh was the first of our great empire builders as Cecil Rhodes was probably the last. Both are deeply interesting characters. It would be difficult to conceive two men more unlike than those two were in externals, and also, I should imagine, in character; yet both were fascinated, allured, by the idea of a British Empire stretching over the waste and unclaimed lands of the earth.

Raleigh was fired by the great and splendid adventures of the Spaniards who for a century or more had been busy conquering and founding new Spanish dominions overseas which had brought to their country what seemed at that time to be undreamt of wealth and fame. Spain claimed by right of discovery the overlordship of all these vast continents on the west of the Atlantic and resented any stranger setting foot in them. Spain threatened to become mistress of the seas and thereby to dominate the whole Continent of Europe. She threatened to impose on the rest of Europe not only a material but also a spiritual dominion, against which ambition almost every Englishman was up in arms.

Raleigh's motives in fitting out the expedition, of which this island of Roanoke was the goal, were, no doubt, very mixed. Those who admire him as a hero, without fear and without reproach, may well believe that he was inspired only by the purest motives, of patriotism, and religious zeal. Those who consider that he was an

ambitious self-seeker may suppose that he was spurred on only by greed of gain and lust of power. Precisely the same may be, and has been said of Cecil Rhodes, and probably if we could have seen into the hearts and minds of both these empire builders we should have found something of all these different motives.

It is but human that they should wish their names to be recorded in letters of gold by a grateful country, while at the same time serving their own private fortunes and adding to their power and place. The one does not necessarily prevent the other. And after reading of Raleigh and hearing Cecil Rhodes talk—for I know him fairly well—I confess I am not inclined to ascribe to either the unselfish virtues of the saint nor yet the single-minded selfishness of the sinner.

I have said that the two men—the first and the last of the English empire builders—were as different from each other—outwardly, at least—as any two men could be. Raleigh, handsome, spare, well made, loving finery and jewelry—a courtier to the finger tips. Rhodes, large, untidy, with a rolling gait, something like a bear, the very antithesis to the courtier, but with something about him that bespoke at once the visionary and the man of character and determination. Such, at least, is my recollection of him. I remember well the first time I ever saw him. It was in 1891. He was then Prime Minister of Cape Colony, unless I am mistaken. I was going with a friend to visit the Legislative Assembly or Parliament of Cape Colony. As we drew near the building I saw a large figure of a man with a rolling gait walking in front of us. He was carelessly dressed in an old suit of gray flannels, with an old straw hat on his head; his hands were deep in his pockets and his short morning coat was pulled up almost to his waist. He was clearly engaged in one of his favorite occupations—day dreaming—from which he would suddenly rouse himself to swift and vigorous action. There was no Raleigh, certainly, but both had in them that inextinguishable lust for great adventure which from Raleigh to Rhodes has been characteristic of the English race. You may call it the sporting instinct, or what you will. Your own people of Virginia and the Carolinas inherited it to the fullest degree or they would not have swept out of their settled homes to conquer the wild places of this continent in the face of tremendous odds and dangers.

The consideration of this world empire building in connection with the work of such men as Raleigh and Rhodes brings us to the question: "Was what they did right or was it wrong; was it immoral or moral; was it useful to the world and to humanity or the reverse?"

My attention was drawn lately to an article in the Church School Journal by a reverend bishop, in which he declared that in some ways the life of Cecil Rhodes is one of the most sordid human biographies on record. With this adjective of "sordid," as applied to Rhodes, I must take issue. While he was a man who made a great fortune, no one has ever accused him of making it by dishonest means, and no one has ever accused him of lack of generosity. No one has ever accused him of loving money for its own sake nor of loving or caring for the ordinary things that wealth can procure—fine houses, fine raiment, a great position in society. For all these he had, indeed, a supreme contempt. There was nothing sordid about the man in that sense. But he did care intensely and fanatically for his ideal of a dominant British race—in which, of course he included the North American as well as the European, the Australian, and the South African British—and he believed that through that domination peace and order would come at last to the whole world, as by the domination of the Romans there was established the Pax Romana in the Roman Empire. That was his religion. It was, I believe, a wholly mistaken one, for it could, if carried to its extreme limits, but bring discord rather than peace, since it was based not on good will among men but rather on that, in my opinion, most fallacious of all modern premises in politics, the general superiority of the Nordic races. It was a materialistic doctrine, idealized, if you like, but yet materialistic. It can not, however, be called "sordid."

The worthy bishop quotes with rising indignation what he calls the terrible first will of Rhodes, in which he advocates the formation of a secret society for the extension of British rule throughout the world, the occupation by British settlers of the entire continent of Africa, South America, South Sea Islands, and the recovery of the United States of America as an integral part of the British Empire, and, finally, the foundation of "so great a power as to hereafter render wars impossible and promote the best interests of humanity."

The bishop says that the average American youth will feel a flame of indignation by merely reading the bold declaration by an imperial representative of so great a power that his America is to be absorbed. If any American youth were to feel a flame of indignation at hearing this, he would not be the American youth as I know him. My impression is that, having a saving sense of humor, the American youth would rather split his sides with laughing at the crudeness of so palpable an absurdity.

But in justice to England, I must say that the bishop is not quite right when he speaks of Rhodes being an imperial representative of a great power, when he first began to put his daydreams on paper. He was then just 24 years of age, and spending the long vacation from his

Oxford studies at Kimberley, in South Africa, where, with remarkable energy, he was already engaged in the business that was to lead him to fortune, while he was, at the same time, studying for his degree at Oxford. How very little importance this will had from any practical point of view, and how little attention anyone was likely to pay to it, may be deducted from the fact that he was then an unknown youth with no fortune at all to leave for the promotion of these crude and naive ideas. As he grew older he did what many another young man has done before, and will do again; he gradually reduced the scope of his visions and daydreams to practical limits and set himself to acquiring for the British Empire and, above all, for that State of South Africa, which he has made his home, all that part of Africa which was not yet actually occupied by some other European power. What has been called the scramble for Africa had already begun some years before, and Rhodes was determined to allow as little as possible of that almost unknown continent to fall to the other powers—Germany, France, Belgium, and Portugal—who already possessed between them the greatest part of it. If it is an evil thing to occupy territories in the possession of barbarous races, who are incapable of government and can not develop the lands in their possession; if it is wrong to bring enlightenment and education and science to countries lying in the ignorance of outer darkness; then by all means blame Rhodes for what he did, but at least let us not call him "sordid," for that he was not.

Now, the reverend and very honorable writer of the article to which I referred above has no words with which to express his indignation against empire builders in general, and especially against those of my country for spreading themselves over the world. He may, of course, be right, and I do not question his good faith, but I wondered, in reading his article, if he has ever stopped to consider that if it had not been for Raleigh and the Virginia Company—the prototypes of Rhodes and the South Africa Chartered Company—he himself would probably never have been born in this great, progressive Republic, which, if his theories are correct, ought to have remained entirely in the hands of the red Indian aborigines, but would certainly have fallen into the hands of other European races, Spanish or French, and been lost forever to the men of English speech.

I am far from upholding everything that was done by the first empire builders of any race. They were often selfish and brutal and cruel—that we must admit—in their dealings with the aborigines. They abused the power given to them by their superior civilization, but can anyone seriously maintain the theory that it would have been better for the world and humanity that the uncivilized and barbarous continents should have remained uncivilized, barbarous, and with their great natural resources undeveloped, without knowledge or education, without any of the benefits of modern science—for that is what the wholesale condemnation of that much abused word "Imperialism" leads us to if followed to its logical conclusion.

In very truth such a theory is as absurd as it is unenlightened and reactionary. Before the Raleighs and the John Smiths aroused the interest of their contemporaries in North America this was a continent inhabited by races with no doubt many fine qualities but utterly unfitted at that time to make the best of their country either for themselves or for mankind in general. Before Rhodes set to work to acquire Rhodesia for the English-speaking race it was held by the most ignorant and warlike savages, such as Lobangula, King of the Matabeles, and his brave but cruel, conquering tribe, who lorded it over their more peaceful but equally ignorant neighbors, plundering, ravaging, and massacring in all directions. That was the reign of the survival of the strongest—not necessarily the fittest—in its crudest and most uncompromising form. For this has been substituted peace, law, and order, and a progressive utilization of the riches till then hidden in the ground. Just in the same way these benefits were substituted in the last century for the rule, such as it was, of the Indians in the prairies of the Middle West and the mountains and valleys of the West. Can anyone seriously compare the advantages to the world or even to the aborigines themselves of the two pictures?

I think rather, that as you Americans here to-day on this almost hallowed soil have gathered together to celebrate the first coming of the English to this continent and the birth and baptism of a humble infant girl, Virginia Dare, nearly 350 years ago, because she represents the small source and beginning of this mighty American people which like the grain of mustard seed has grown until it overshadows all the giants of the forest, so in future ages South Africa will commemorate with thanks and gratitude the genius of Cecil Rhodes, who, whatever his faults and shortcomings, has secured those wild and barbarous regions for your cousins and friends, the men of English and Dutch speech who inhabit South Africa.

I, representing the old mother country, am indeed glad to be present on this occasion. I am proud to do honor to Raleigh, the first—though for the time unsuccessful—founder of British America.

If in the old days the young and struggling Colonies owed a good deal to the spirit of adventure to the men in the mother country, we of the mother country are now reaping the benefit of what our fore-

fathers sowed in the spirit of adventure which has been handed down to you. The torch of carrying civilization into the uncharted parts of this continent burned in no hands more brightly than in those of the great founder of this country, George Washington. His was the marvelous prophetic vision of the future which foresaw that the country, then made up of scattered communities along the Atlantic seaboard, could not be hemmed in by the Alleghenies nor by the Mississippi, nor yet by the mighty Rockies, but must extend in and on to the shores of the Pacific. May he ever have honor for that, not only here but also throughout all English-speaking countries, for he has certainly been one of the greatest empire builders in the best sense that the world has known.

Owing to him there has arisen this country. Of its material development I do not wish to speak, for that, after all, is only a secondary matter. I must honestly confess that I get a little wearied of statistics of miles of railway, tons of freight carried, tons of iron and steel produced, etc. That is all useful so far as it goes, but we are apt to lay too much stress upon it. What I especially rejoice in here is rather the belief that this country is leading the world into a new era, into a better way of life that, provided we can keep the ideal before our eyes as well as the merely practical, will, and indeed ultimately must, make for a great spiritual rebirth and help us to that universal peace both at home and abroad for which all men in all countries are truly longing to-day. What I mean is this: Numbers of your leaders in public life and in industry seem to have realized before those in other countries that the health and happiness of the men and women who work in your factories, in your mines, in your great stores, are as necessary to the well-being and to the successful prosecution of a business as any other part of it. You have learned the gospel of high wages, as it has been called, and you have applied it and showed the world that it works.

The idea that if a joint-stock company provides its stockholders with high dividends it has fulfilled everything that can be asked of it, and its directors have performed the whole duty of man, is rapidly being exploded here. The new message that I think America of to-day is giving to the world is that the lives of men are more than mere goods and that peace and contentment are more than mere wealth. Of this latter there is such abundance in this country in many quarters that it has become for many of its possessors a cheap and secondary possession. The possibility of simply gratifying a man's individual tastes and pleasures does not bring contentment or happiness to him or to others. But the power to promote the welfare of others will always be a source of real contentment; it can give that inward peace that the world can not give. I always think of a saying of one of the first of your great givers, George Peabody, who gave away for the benefit of his fellowmen nearly all of what was in his day a royal fortune. He was a man of simple tastes and a large and kindly heart. But even he admitted that giving on a large scale what he had acquired with much labor, was difficult at first. Having once begun, however, to give for all kinds of social and charitable purposes, he found, as he said himself, that it was "very pleasant."

Following his example, many of your American merchant princes have founded schools, universities, hospitals, institutions for scientific research all over the country, foundations for the promotion of peace, and other social objects too many to name. But as important as all this is, as an example of what can be done for public service by those who are favored by fortune, it is yet less important than what I may call the "new learning" in political economy which America is now teaching the world—the doctrine that a good-fellow feeling between those who direct and those who work with their hands is worth more than a very high rate of interest on investments.

The English political economists of the last century, while wisely insisting on liberty of individual action, never discovered the importance of the doctrine of high wages but insisted rather on cheap prices all round. This century will, I believe, belong rather to the practical American political economists who have discovered the better way, not by evolving doctrines out of their own inner consciousness but by their own hard experience. Therefore, I look forward to seeing America spread the gospel of this new learning in political economy over the world and so usher in an era of well-being, peace, and content such as neither the extreme doctrines of the Manchester School on the one side nor those of Karl Marx on the other could possibly bring about.

The adventure of Raleigh has been sufficiently justified by what has already been achieved on this continent by the English-speaking race, but, if my vision of the future is realized, then indeed all the world may one day come here to Roanoke Island to honor his memory and that of the "White Doe," Virginia Dare, to whose memory for the very reason that she was the first white child born here and perished in the age of innocence a martyr to the empire-building instincts of that age, we may pay a complete and unstinted homage that would hardly be possible even to the greatest personages of history whose actions are always open to some criticism and reproach. It would be natural and right that some day this place should become a real place of pilgrimage for men of English speech from all parts of the world, and that a monument of the "White

Doe" be set up here to commemorate all that the coming of the English to this continent has meant and will mean in the history of the world.

TREASURY AND POST OFFICE APPROPRIATION BILL

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Appropriations, I submit the bill (H. R. 14557) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1928, and for other purposes, with accompanying report (H. Rept. 1608), for printing under the rule.

The SPEAKER. Referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. BYRNS. Mr. Speaker, I reserve all points of order.

The SPEAKER. The gentleman from Tennessee reserves all points of order.

COUNTERFEITING TRANSPORTATION REQUESTS

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 8128 and concur in the amendments that the Senate has made to that bill.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to take from the Speaker's table the bill H. R. 8128, with Senate amendments, and concur in the Senate amendments. The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 8128) to punish counterfeiting, altering, or uttering of Government transportation requests.

The SPEAKER. The Clerk will report the Senate amendments.

The Senate amendments were read.

Mr. HUDDLESTON. Mr. Speaker, reserving the right to object, what is the purpose of the proposed consideration?

Mr. GRAHAM. To concur in the Senate amendments.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. WINGO. Reserving the right to object, will the gentleman from Pennsylvania yield to a question?

Mr. GRAHAM. Yes.

Mr. WINGO. There is so much confusion that I could not hear the reading of the title of the bill. What does this bill do? What is to be its effect, and what is the effect of the Senate amendments?

Mr. GRAHAM. The bill is a bill to suppress counterfeiting of requisitions for transportation. It is approved by the War Department and the Navy Department and by the Department of Justice, and the Senate has passed an amendment inserting the word "knowingly," and the word "so" is inserted also because it is necessary.

Mr. WINGO. All you ask is to concur in the amendments?

Mr. GRAHAM. That is all.

The SPEAKER. The question is on concurring in the Senate amendments.

The Senate amendments were concurred in.

TREASURY AND POST OFFICE APPROPRIATION BILL

Mr. MADDEN. Mr. Speaker, I move that the House resolve itself in the Committee of the Whole House on the state of the Union for the consideration of the Treasury and Post Office Departments bill; and pending that motion, I would like to ask unanimous consent that the general debate be limited to three hours, one half of which shall be under the control of the gentleman from Tennessee [Mr. BYRNS] and the other half under the control of myself.

The SPEAKER. The gentleman from Illinois moves that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the Treasury and Post Office appropriation bill; and pending that, he asks unanimous consent that the general debate be limited to three hours, one half of the time to be controlled by the gentleman from Tennessee [Mr. BYRNS] and the other half to be controlled by himself. Is there objection?

Mr. GRIFFIN. Reserving the right to object, Mr. Speaker, may I ask the gentleman in charge of the bill if it is not possible to extend the time for general debate to at least four hours? If the general debate is fixed at three hours, that would leave only one hour and a half each for the chairman of the committee and the ranking minority member, and there would be no opportunity for a proper distribution of the time. The bulk of the time will be taken up probably by the chairman and the ranking minority member, and there seems no time for other members of the Committee on Appropriations. We passed on this bill this morning. It is an important bill, and whatever necessity there may be for hurrying it, in which I concur, I will do all I can to promote the

progress of the bill; but I do think if you extend the time of general debate to four hours you will save time in discussion under the five-minute rule. I know if I get time under the general debate I will not take any time under the five-minute rule.

Mr. MADDEN. I will ask the gentleman as a favor if he will not be good enough to take the time on the next bill to follow this bill?

Mr. GRIFFIN. But I want to talk on this bill.

Mr. MADDEN. The gentleman can talk on this bill then.

Mr. BYRNS. I have explained to the gentleman from New York some of the reasons why the time should be limited on this bill now. If this bill is completed by Saturday, there will be another bill that will come up Tuesday.

Mr. GRIFFIN. But that does not answer my objection.

Mr. BYRNS. Which will give the gentleman an opportunity to discuss the matters he may have in mind.

Mr. GRIFFIN. But what we are asking for is an opportunity to talk on this bill. I want to talk on this bill and there are other members of the committee who also want to talk on it. You are not going to hurry things by limiting general debate, because we will then take up time in discussion under the five-minute rule.

Mr. BYRNS. I understood the gentleman to say that he wants 10 minutes. If that is so he could take that time under the five-minute rule.

Mr. GRIFFIN. But I am not the only one to be considered. There are some other gentlemen, members of the committee, who desire an opportunity to discuss this bill. I ask the gentleman from Illinois to take my request under consideration.

Mr. MADDEN. How much time does the gentleman want?

Mr. GRIFFIN. Well, it is not a personal matter.

Mr. MADDEN. How much time does the gentleman want?

Mr. GRIFFIN. I want 10 minutes myself on general debate.

Mr. MADDEN. I will yield to the gentleman 10 minutes of my time on general debate.

Mr. GRIFFIN. But that does not answer the objection I have raised on behalf of other members of the committee.

Mr. MADDEN. I will yield the gentleman 10 minutes.

Mr. GRIFFIN. I am grateful to the gentleman for that time, but it does not answer my objection, which is made on behalf of other members of the committee. It satisfies me, but I want other members of the committee cared for.

Mr. MADDEN. I hope the gentleman will not object.

Mr. GRIFFIN. I will not object.

Mr. BLANTON. Will the gentleman from Illinois yield?

Mr. MADDEN. Yes.

Mr. BLANTON. During the recess quite a number of cases for refunds of income taxes have been approved, but no payments have been made because there has been no money. Are such payments provided for in this bill?

Mr. MADDEN. No. We are going to take up another bill which will cover those cases as soon as this bill is out of the way.

Mr. BLANTON. There will be a bill covering those cases of refunds?

Mr. MADDEN. Yes; and that is the reason I am anxious to get this bill out of the way quickly. We are going to present a special bill to cover that matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

RESIGNATION

The SPEAKER. The Chair lays before the House the following communication:

CHICKAMAUGA, GA., November 30, 1926.

Hon. NICHOLAS LONGWORTH,
Speaker House of Representatives,

Washington, D. C.

DEAR MR. SPEAKER: Under the Weeks law, passed in 1911, creating the National Forest Reservation Commission, the Speaker of the House of Representatives is authorized to appoint two Members of the House on said commission. As it is not my intention to return to Washington early in the session, and a full membership of this commission is most important on account of its early meetings for the transaction of business before it, I wish to tender you my resignation as a member of the National Forest Reservation Commission so that my successor can be appointed at once.

Very sincerely yours,

GORDON LEE.

The SPEAKER appointed the gentleman from Tennessee, Mr. McREYNOLDS, as the successor of Mr. LEE of Georgia.

TREASURY AND POST OFFICE APPROPRIATION BILL

The SPEAKER. The question is on the motion of the gentleman from Illinois that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the Treasury and Post Office appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 14557) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1928, and for other purposes, with Mr. SNELL in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill making appropriations for the Treasury and Post Office Departments, which the Clerk will report by title.

* The Clerk read the title of the bill.

Mr. MADDEN. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Illinois is recognized for 1 hour and 30 minutes.

Mr. MADDEN. Mr. Chairman and gentlemen, the total estimates for the fiscal year 1928, including the Postal Service, is \$4,014,571,124.60. The total appropriations for the fiscal year 1927, including the Postal Service but not making any allowance for the supplemental and deficiency appropriations which may be made for the current year at the present session, amount to \$3,998,027,396.48. The estimates for 1928 are in excess of the appropriations for 1927 by \$16,543,728.12, only two-fifths of 1 per cent of an increase, a remarkable Budget condition, Mr. Chairman, considering the size of the country, its constant growth, its increasing population and inevitably expanding interests.

One large known item for 1928 is not in the Budget. That is a sum approximating \$20,000,000 for public buildings projects under the act of May 25, 1926. This was omitted because the data could not be assembled in time to include it. It will come later, however, in connection with the deficiency bill.

The total estimate for the Postal Service for 1928 payable from the postal revenues amounts to \$757,969,115, and when I first went on the Post Office Committee as a Member of this House the total of the postal expenses amounted to about \$230,000,000, and I am still a young man. [Applause.] Just think of the remarkable growth of a single institution of government, the greatest civil enterprise under any government in all the world. Three hundred and sixty thousand men and women are required to transact its business, and in times of peace it is the greatest activity under our flag.

Mr. LINTHICUM. May I ask the gentleman what year it was he went on the Post Office Committee?

Mr. MADDEN. I think it was about 16 years ago, and that was some years after I had been on other committees, and it has been some years since I left that committee to come to this work.

Mr. LINTHICUM. I think that was about the time I came into the House.

Mr. MADDEN. I remember the gentleman. He was always so attractive I could not help but notice him from the very first day he came [laughter and applause], and that continues to the present time. He gets more beautiful every day than he was the day before and more attractive.

Mr. LINTHICUM. I want to say to the gentleman I am following Mr. Coue in that respect.

Mr. MADDEN. That is fine.

The total appropriations for 1927 for the Postal Service are \$738,805,303. There is an increase, therefore, of \$19,163,812 for 1928 over 1927.

The net reduction, eliminating the Postal Service from the grand total of appropriations and estimates, in the remainder of the Budget shows a decrease for 1928 under 1927 of \$2,620,083.88. So that aside from the Postal Service, for which there is an increase of about 2½ per cent, we have a reduction in the amount for the operation of all other governmental activity.

The net reduction is arrived at through a large number of increases and decreases, of which the principal are as follows:

An increase of \$29,000,000 for the Army and the Navy pensions on account of recent legislation.

An increase of \$27,700,000 for military and naval compensation for World War beneficiaries, due to new legislation at the last session.

An increase for the Military Establishment of approximately \$12,000,000, largely for pay of the Army, construction of barracks and quarters, aviation, and seacoast defenses.

An increase of \$4,652,000 for the construction of reclamation projects, payable from the reclamation fund.

An increase of \$4,600,000 for the Department of Commerce, of which approximately \$2,500,000 is for the encouragement of commercial aviation.

An increase of \$3,953,000 for the Department of Agriculture, of which \$2,500,000 is for forest roads and trails.

A decrease under the Veterans' Bureau of approximately \$15,000,000 in funds for administration, hospitalization, insurance, and the adjusted service certificate fund.

A decrease of \$10,000,000 under the Shipping Board by elimination of the direct appropriation for the so-called defense fund and reappropriation for 1928 of the balance in the fund.

A decrease of approximately \$10,000,000 under the Navy, of which \$3,300,000 is due to aircraft for aircraft carriers having been purchased; over \$5,000,000 on account of the completion of part of the modernization program on battleships, \$1,750,000 because of the President's recommendations for the postponement of the commencement of construction on the remaining cruisers, the last three of the eight authorized December 18, 1924, and a decrease in the fuel item.

A decrease of \$30,000,000 for interest on the public debt.

A decrease of approximately \$13,000,000 under the Treasury Department because the program for public buildings was not ready in time for inclusion in the Budget. There is nothing in this bill for the general building program.

Gentlemen will recall that when we passed the deficiency bill last year we provided about \$13,000,000, part of which was for the construction of buildings that were authorized in 1913, and part for buildings in the District of Columbia under the new act. Nothing was included for new projects under the act for the country at large. A survey was required to be made by the Treasury and Post Office Departments in respect to the building needs. You will recall that of the bill passed carrying \$165,000,000 authorization for buildings, \$15,000,000 was provided for the increased cost on buildings which were authorized in 1913. You will recall that \$50,000,000 of the \$165,000,000 was to be expended in the District of Columbia in the erection of public buildings needed for the transaction of the national business and \$100,000,000 to be expended throughout continental United States. The bill also provided, as you will probably recall, that out of the \$150,000,000, only \$15,000,000 could be expended outside of the District of Columbia and \$10,000,000 within the District of Columbia in any one year.

So, when the survey, which was authorized, is reported to the House, as it will be soon, you will be apprised of the building needs of the country, and recommendations will then be made by proper administrative authorities for such buildings as they think are the most urgent within the amount they are authorized to expend under the law.

It is the intention of your Committee on Appropriations to take up the recommendations in a special bill so that the needs throughout the country may be served to the extent of the possibilities within the provisions of the law. It is our intention to take this up as soon as we can, and in a deficiency bill in which we can treat the subject more comprehensively than we could in one of the great supply bills for departments of the Government. So you need not be uneasy about the fact that we are not carrying in this bill any appropriation for these buildings, because we have that in mind and it will be placed before you soon. It will come before the Committee on Appropriations and the committee will make a comprehensive report and recommendations for your further consideration.

The District of Columbia fares well. The Budget shows an increase for 1928 over 1927 appropriations of a million dollars. In reality there is in addition \$600,000 and \$1,500,000 released to other purposes by the completion of the appropriations for the Rock Creek and Potomac Park extension and the new aqueduct and water-supply system. The increase of a million dollars and the release of these two items really give an additional \$3,100,000 for distribution to new purposes, of which schools and streets have received a liberal share.

The total receipts for the fiscal year 1927 were \$3,962,755,690.14, and the total expenditures for the year 1926 were \$3,584,987,873.50, leaving a surplus of \$377,767,816.64.

The estimated receipts for the fiscal year 1927 are \$4,026,780,688. The estimated expenditures for the fiscal year 1927 are \$3,643,701,593, leaving an estimated surplus of \$383,079,095.

The estimated receipts for the fiscal year 1928 are \$3,772,753,077, and the estimated expenditures for 1928 are \$3,572,049,214, leaving an estimated surplus of \$200,703,863. Our receipts have stood up well and increased in spite of tax reduction, but there is a factor in connection with the surpluses which must be taken into consideration in contemplating a continuance of such a situation. The most optimistic prognosticator could not foretell the unusual prosperity that has come to this country. Business is at high tide and conditions favorable. The increase in Government receipts has been due to increased earnings of the American people and American business in spite of the three reductions in taxation which have been made. While the surplus for 1926 stands at \$378,000,000, and is estimated at \$383,000,000 for the current year, the estimate for the next fiscal year shows a decline to \$200,000,000. This is brought about by a factor in our receipts of which notice must be taken when we contemplate the future. We have had surpluses each fiscal year, commencing with the fiscal year of 1922, ranging anywhere from \$250,000,000 to \$500,000,000. We have had, however, in each of these years special items of receipts not normal or usual in their character which have helped to create the surpluses. These unusual and non-recurring items are in the nature of capital assets which will not continue to any appreciable extent. They are as follows:

Liquidation of capital stock of Federal land banks.

Liquidation of the Housing Corporation through disposal of properties and repayment of principal on loans.

Sale of farm-loan bonds, of which \$200,000,000 were purchased to stabilize the issues pending the Supreme Court decision on the validity of the tax-exempt feature. We held these bonds in the Treasury of the United States. We bought them at a time when the farm-loan banks most needed the support of the Government. We have realized upon them and we have turned the realization, which is the income from the sale, into the Treasury for General Government purposes.

We had the capital stock and earnings of the Sugar Equalization Board against which we were able to draw. That has been drawn against, and we need not look forward to anything from that source again.

We also had funds from the Shipping Board. We had funds from the Railroad Administration. All of these things have been or soon will be disposed of, and they have increased our revenues and have helped us as a Nation to liquidate our obligations.

Then we had the liquidation of the War Finance Corporation, capital stock, etc., and also the sale of war supplies.

Another large source is the back tax collections, after deducting refunds on account of taxes erroneously collected, and I want now to tell you something about these back taxes. You will probably recall that several years ago the Committee on Appropriations made a recommendation to the House for an additional appropriation to employ expert auditors in order that they might be able to audit the tax schedules that were on file, many of which were on file from 1917 down. Many of these schedules were what are known as consolidated schedules, which include all the corporation activities within the parent corporation control. Many of the schedules in such a case—a single case—would fill a car with documents, all of which had to be audited. When we gave this additional money to the internal-revenue branch of the Treasury Department we gave it with the understanding that they would raise, as a result of the expenditure of that money for the employment of expert auditors, about \$500,000,000 a year in back taxes, which it had not been possible to collect because they had not been able to make the audits. They kept their word.

Now, from this character of assets which I have enumerated we will have collected for the fiscal years 1922 to 1927, inclusive, approximately \$1,607,000,000. Our surplus of receipts over expenditures during that six-year period has aggregated approximately \$2,140,000,000. Receipts from these unusual sources are estimated to drop from \$245,000,000 for the fiscal year 1927 to \$50,000,000 in 1928, and this, in large measure, accounts for the decline in the surplus from \$383,000,000 in 1927 to \$200,000,000 in 1928. There will remain after the close of the fiscal year 1928 assets estimated at approximately \$330,000,000, of which \$280,500,000 are railroad loans, including those made to the Chicago, Milwaukee & St. Paul Railway Co., the Boston & Maine, and the New Haven Line. There may possibly be \$50,000,000 quick assets in what remains at the close of 1928, and the remainder will be very slow. So it will be seen that this character of receipts will practically cease with the close of the fiscal year 1927, there being only \$50,000,000 to come from them in 1928 and practically nothing at all after

that year. I shall insert as a part of my remarks a table furnished by the Treasury Department showing these special

receipts in detail, by fiscal years, covering the fiscal years 1922, 1923, 1924, 1925, 1926, and 1927, and the estimated receipts of 1928:

Special receipts in specified fiscal years

	Fiscal year 1922	Fiscal year 1923	Fiscal year 1924	Fiscal year 1925	Fiscal year 1926	Fiscal year 1927 (esti- mated)	Fiscal year 1928 (esti- mated)	Total	Specified assets on hand June 30, 1928 (esti- mated)
Liquidation of capital stock of Federal land banks.....	\$1,057,830	\$2,556,775	\$1,100,570	\$472,455	\$332,605	\$200,000	\$180,000	\$5,900,235	\$800,440
Disposal of United States Housing Cor- poration properties.....	1,740,999	961,965	1,272,307	2,512,949	2,239,195	1,487,000	1,302,000	11,576,415	3,665,304
Principal on loans, United States Housing Corporation.....	86,789	1,561,975	713,628	1,614,391	353,992	321,000	35,000	4,686,775	37,873
Sale of farm-loan bonds.....	44,400,000	36,750,000		13,000,000	28,390,000	60,495,000		183,035,000	
United States Sugar Equalization Board, earnings and capital stock.....	15,279,636	12,482,476						12,797,160	
Funds deposited by the United States Shipping Board:									
Construction loan fund (net excess of receipts).....		50,000,000	5,234,000	1,679,490	6,758,518	5,966,039	5,490,264	66,569,331	136,958,208
Other.....			11,808,729			6,355,000	10,000,000	28,163,729	
Railroads (net excess of receipts).....	139,469,450	14,847,306	58,631,367	136,706,428	34,009,526	29,338,254	14,201,948	397,509,667	280,576,150
War Finance Corporation (net excess of receipts).....	194,428,001	109,436,238	52,539,947	42,901,758	19,691,166	25,000,000	3,000,000	158,141,108	
Sales of war supplies.....	90,181,442	82,605,681	44,577,615	16,527,704	13,509,769	3,300,000	2,900,000	253,602,211	7,800,000
Payment by German Government under terms of armistice.....						13,101,895	13,101,895	26,203,790	
Total.....	197,788,145	266,542,852	175,878,163	206,850,195	105,284,771	145,564,188	50,271,107	1,148,185,421	329,837,975
Surplus on basis of daily Treasury state- ments.....	313,801,651	309,657,460	505,366,086	250,505,238	377,767,816				
Back-tax collections (less internal-revenue refunds).....			172,780,000	129,046,000	108,000,000	100,000,000			

¹ Excess of expenditures, deduct.

² Face amount of securities owned by the Government.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. SABATH. Will the gentleman also secure a statement showing the amounts of money that have been received by the Government in the last six years and charged off against the appropriations that have been made from 1916 up to 1920, and show them what the actual net appropriations or expenditures were, and how much money has been received at this time from the appropriations that have been made during these years that these funds and assets have accumulated?

Mr. MADDEN. I think that may be found in the hearings if the gentleman will read them.

Mr. SABATH. What hearings?

Mr. MADDEN. The hearings on this bill. If we do not have it, we will try to get it for the gentleman.

I want to talk now a little about tax reduction. It may not be quite appropriate on this bill, but still I am very much in favor of tax reduction under proper circumstances.

Mr. STEVENSON. Before the gentleman goes to that, will he give us an idea, if he has it in the hearings or elsewhere, of how long it will take to catch up with this audit of back taxes? There is a great deal of complaint all over the country about people being bedeviled in respect to paying taxes which should have been paid five or six or seven years ago.

Mr. MADDEN. On the 30th of June, 1927, we expect to have all these audits of 1924 and prior years up to what may be classed as current. What I mean by current is that the schedules filed in 1925 will be audited up to 1924, and if they are filed for 1927, they will be audited up to 1926. You will never be able to get it closer than a year, because they can not be audited completely until about a year after they are filed. But the progress that is being made is marvelous. We have a record of that, and if the gentleman will read our report upon this bill he will find a detailed statement in the report upon it which I think will be very illuminating. We have cut \$1,570,000 off the appropriation in this bill for the internal revenue work in anticipation of the completion of the work. We are looking forward to a very large reduction in the expenses of the internal revenue section of the Treasury Department.

So far as tax reduction is concerned, I think nobody is more anxious for tax reduction than I am—not because I am interested financially in it but because I believe taxes should be reduced as much as possible, consistent with the proper expenses of Government.

Mr. LINTHICUM. Before the gentleman proceeds to that, may I make an observation?

Mr. MADDEN. Certainly.

Mr. LINTHICUM. It is about these back taxes, which these auditors have been auditing, and from which the gentleman says some billion dollars has been collected.

Mr. MADDEN. Oh, there has been nearly \$3,000,000,000 collected in back taxes and between six and seven hundred million refunded.

Mr. LINTHICUM. I wish there was some way by which we might set off on the other side of that what it has cost the individuals and the corporations to employ auditors to audit along with these people.

I know of many cases where they have collected some little taxes, but the auditing fee of the individual or corporation has cost vastly more than the amount collected.

Mr. MADDEN. Of course, there is no way, and neither the gentleman from Maryland nor myself or any other Member here could obviate the necessity for that because the first obligation of the Government authorities is to collect what is due the Government. If trouble ensues that calls for investigation after investigation before reaching a final conclusion, it is due to the inadequate accounting made by the individuals or concerns. It is unfortunate.

Mr. LINTHICUM. If the gentleman will permit, it does not make any difference in many instances whether the accounting return was proper or not, the fact the auditor makes the audit in many cases and collects no taxes whatever is because the taxpayers know it and do that—

Mr. MADDEN. That is an unfortunate situation of being citizens of a Republic with so much prosperity.

Mr. O'CONNOR of Louisiana. I would suggest that it would be useful information for Members of the House for the gentleman to furnish the total refunds made.

Mr. MADDEN. We have that.

Mr. O'CONNOR of Louisiana. Will the gentleman put that in?

Mr. MADDEN. Yes, sir. Now we have a good deal of discussion in the newspapers about tax reduction. We have had three tax reductions since 1921, one amounting to \$800,000,000 in 1921, one amounting to \$450,000,000 in 1924, and one amounting to \$400,000,000 in 1926. That is \$1,650,000,000 all told. It is proposed that a further reduction in taxes shall be made on account of the surplus, but the question arises, would it be wise to enter upon an active campaign for tax reduction until we have discovered whether or not the revenues are to continue under the existing rate?

If we continue over another year I am in favor of tax reduction to the limit we can go, but we ought not to do it now. But there is one thing we can do now if we will. It has always been my notion we should never take from the taxpayer any more than we need for the economical conduct of

the Government, and if by any chance through any fault of ours we have taken more than we need and know we have taken it, what is our obligation? It ought to be to return to the taxpayer who supplies the life blood of the Government so much of that blood as we do not need.

Mr. SABATH. I know the gentleman is well informed, but in view of the fact that all of these large taxpayers have paid a little larger amount than needed by the Government and have added the amount to the cost of products by increasing their profits and the public having paid it into the coffers of these large interests, why would it be fair on the part of the Government now to return it to the people who have already received the benefit?

Mr. MADDEN. That is a hypothetical question, and I do not think the gentleman himself can answer it.

Mr. SABATH. I am of the opinion we have already collected it and should not return it.

Mr. MADDEN. I do not think that, but that I think is an academic question.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes; I yield.

Mr. LAGUARDIA. Let us be practical men. If there is no legislation at this session for either a refund or reduction, the present available surplus would be applied to the reduction of the national debt, would it not?

Mr. MADDEN. I would be happy to see it applied to that object.

Mr. LAGUARDIA. It would go to that object automatically, would it not?

Mr. MADDEN. I do not believe it would.

Mr. LAGUARDIA. I do not believe legislation is necessary.

Mr. MADDEN. It would not be necessary to make it go there, but it would not go automatically. The discretion is in the Secretary of the Treasury.

Mr. LAGUARDIA. In that case the taxpayers will receive the benefit. Does not the gentleman believe it is the very best way under business prudence and economy to do it?

Mr. MADDEN. No; I do not. I think it is the next best.

Mr. STRONG of Kansas. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. STRONG of Kansas. If we have a surplus of the taxpayers' money, why not use it to pay the taxpayers' debt?

Mr. MADDEN. Of course, there are two or three ways of looking on that. It seems to me that the thing that the people have a right to look forward to is a dividend out of the money which they pay to the Treasury, and the way to give it to them is to give them the money back. We paid \$873,000,000 of the public debt this last year. We have paid \$6,000,000,000 of the public debt since the World War closed. We are paying the public debt more rapidly than any other agency that ever contracted a war debt. We are paying it as rapidly as it should be paid, with due regard to a proper scientific, systematic, and orderly method of doing business.

Mr. LAGUARDIA. The gentleman knows we must appropriate hundreds of millions of dollars to take care of the interest charges. By reducing the debt we would reduce the interest charges.

Mr. MADDEN. Yes; we reduced the interest charges \$30,000,000 this year, and every time we do that a large part of it goes to the sinking fund for the next year; and we are doing everything that a scientific business concern would do.

Mr. LAGUARDIA. Yes; and they would appropriate money out of their income to pay debts.

Mr. MADDEN. I am glad to have the gentleman's opinion, but I do not agree with him.

Mr. LINTHICUM. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. LINTHICUM. The gentleman from Illinois [Mr. SABATH] brings up the question of this money being an overcharge for overhead. What proportion of this comes from individuals and what proportion comes from business concerns?

Mr. MADDEN. We have the record of that. I would be glad to give it to the gentleman.

Now, the President made a very startling recommendation in his message that was read yesterday. He suggested the wisdom of making the appropriations only once in two years. Well, I just want to go on record as saying that I am opposed to that recommendation. [Applause.] I am opposed to it because I believe it would not be for the best interests of the country. In the first place, when we make up our appropriations now, we make them based upon estimates that are compiled about 18 months in advance of the obligation of the last of the money, and an estimate made 18 months in advance must be to some extent a guess. If we went to a two-year basis in

making appropriations we would have to estimate for from two and one-half to three years in advance. During the short session of Congress we would find ourselves, in my judgment, swamped with appeals from the different branches of the Government charged with the responsibility of administering its affairs and spending the money for the adjudication of the inequities that had crept into the two appropriation bills and to cover changed conditions. The information upon which the bills were compiled was far in advance of the needs.

And there is another and more important reason why I am opposed to appropriations of money for two years instead of for one year. A spending agency of the Government which has large appropriations placed at its disposal in the form, say, of permanent or long-term appropriations, which do not have to be repeated by Congress from year to year, is apt to find a way to spend money out of those appropriations for things that may be desirable but which were never contemplated in the act, and soon begins to think that it is the Government, whereas I think the Government consists of the American people. [Applause.]

Now, more than that, I think the most important function that we can perform in connection with our duties here is to see that every dollar collected from the taxpayers is expended only for the legitimate purposes for which it was intended to be expended, and the more frequently you call the administrative officers to account—these men who have the power to expend—and make them disclose the activities in which they are engaged, and the cost, and the reason for the expenditure, the more wholesome the Government is bound to be. Once a year is none too frequent and once in two years is not often enough.

I have discovered that fact on some occasions since I have had the privilege of being chairman of the Committee on Appropriations. Once I saw a case where they came to us for \$125,000,000. It had been recommended all right, and had come through proper channels.

In that case I am frank to say, for example, they answered, in response to a question, that they had 40,000 men operating the ships; and the next question was, "How much does it cost a day to feed the men?" and the answer was, "\$1.25."

That is the amount that was incorporated in the estimate, \$1.25, although it was not disclosed on the face of things. However, we discovered, from a thorough study and investigation, that it should cost only 75 cents. Seventy-five cents is 50 cents less than \$1.25, and 50 cents for 40,000 men is \$20,000 a day. Then we discovered that the amount for fuel was different from what they should have, and we found an overestimate there. And, of course, we promptly cut all of those things out, based on a thorough calculation. We made the so-called experts who had come to testify for the whole instead of a part of the proposal agree that instead of \$125,000,000 they would take \$48,500,000, which is over \$76,000,000 less.

Now, that is the reason I say I am opposed to two-year appropriations. I want the sunlight of publicity put onto every line of every request that is made by any administrative officer of the Government and on every request he makes for money. [Applause.] So, I am opposed to that. I am opposed to anything else, no matter where it comes from, that does not contemplate the widest range of publicity in the interest of the people who pay the taxes and a scrutiny of administrative acts as often as possible. If you find us seemingly radical sometimes in the recommendations we make about those things you must remember we are not radical, because we are not, but it is because we have only one job, and that is to attend to the business of the men who pay the money to run the Government, and we are attending to it. We want you to believe us when we say to you that there is no politics in the work we do. The Democrats and Republicans sit side by side on our committee and work side by side. Then, perhaps, there is another strange thing.

Sometimes some of you Democrats may think you ought to criticize the Democrats on the committee for never differing from the Republicans, and that they ought to make political capital out of something that does not exist, but I want to say to you that we are sitting there as men running the business of the country, and there is no politics there, and the reason why we have never had any division of opinion about things that are there is because we have never had anything to cover up. It has always been open to the light of day. The Democrats and Republicans alike have every scrap of paper that belongs in the committee for their use and their scrutiny, and no judgment is ever rendered by the chairman of the committee until after consultation with the Democratic members of the committee. If, perchance, the chairman has to do something when the members of the committee are not there, he always finds a way to see that they know what is done and it is always

subject to their approval. We do not cover anything up and we do not let anybody else cover up anything if we can stop them.

Now, there is one more thing I should like to talk about—

Mr. SABATH. Will the gentleman yield on this important recommendation of the President?

Mr. MADDEN. Surely; but I do not want the gentleman to bring in any politics.

Mr. SABATH. If we should appropriate for two years we could, perhaps, do away with the short session of Congress and thereby bring about a certain amount of economy which might, perhaps, be suitable to certain "lords" that are now controlling the Government.

Mr. MADDEN. My colleague is always funny; he likes a joke, but, of course, there never was a joke that was more poorly perpetrated than the one he is working on me now. [Laughter and applause.]

Mr. SABATH. I see the gentleman does not seem to appreciate it.

Mr. STRONG of Kansas. Nor anybody else.

Mr. SABATH. You never do over there.

Mr. MADDEN. Mr. Chairman, I do not want to use more than an hour.

The CHAIRMAN. The gentleman has used just 50 minutes.

Mr. LINTHICUM. Will the gentleman yield for a question?

Mr. MADDEN. Yes.

Mr. LINTHICUM. If you attempted to appropriate for two years you would have to rely very largely upon the Budget Bureau in doing that, would you not?

Mr. MADDEN. Well, you know, I think we might possibly have to rely on our imagination for our facts in some cases, and our memory for our wit, and we do not want to do either.

Mr. LINTHICUM. Could the gentleman tell us how much less Congress appropriated during the last session than the Budget amounted to?

Mr. MADDEN. I think it was about \$7,000,000 last time.

Mr. LINTHICUM. I do not think we bring out sufficiently strong how careful you are in reference to all of the appropriation bills.

Mr. MADDEN. This bill calls for about \$6,000,000 less than the Budget.

Mr. O'CONNOR of New York. Will the gentleman continue to tell us where he stands on the tax-reduction proposition, and for this reason: As I gathered from the newspapers recently, the gentleman was opposed to even a rebate.

Mr. MADDEN. No; not I.

Mr. O'CONNOR of New York. I may have been misled about that.

Mr. MADDEN. I am always for everything that gives money back to the people.

Mr. O'CONNOR of New York. I should like to know whether or not the gentleman is in accord with the President's view.

Mr. MADDEN. Yes; I am. I am thoroughly in accord with the President's view. I want to give a credit on the taxes to be paid on the 15th of March and on the 15th of June, and then if the law that exists to-day fixing the tax rates produces sufficient revenue, when we come back for the next session of Congress I am in favor of changing the rates and reducing the taxes. [Applause.]

Mr. O'CONNOR of New York. Did the gentleman see anything in the newspapers within the past few weeks to the contrary in respect of the gentleman's views?

Mr. MADDEN. You know I do not write newspapers.

Mr. O'CONNOR of New York. I understood the gentleman had made the statement he was opposed to any tax rebate or reduction on account of the condition of the Treasury.

Mr. MADDEN. The man who wrote that story must have had a grudge against me. That is not true, of course.

Now, in connection with the post office bill, we have deducted \$1,032,960 from the post-office service for the transportation of the foreign mails. For the 1927 act, the current act, when the department came before the committee last year, they asked us for about \$8,000,000 for the transportation of foreign mails. In the course of the examination of that item I asked a good many questions and went into detail as to just how this money was to be expended, and it was disclosed in the evidence that we paid 80 cents a pound for the transportation of mail to foreign countries in American ships and 26 cents a pound for the same class of mail in foreign ships. It was calculated that the quantity of mail at the two rates, making a proper division of the proportions to be paid for at 80 cents and at 26 cents, would consume all the money that was sought to be appropriated. We went on our way confident in the belief that we had done the thing that should be done. But in 1891—that is going quite a little way back—Congress passed an act authorizing the Postmaster General to enter into contracts

to pay ship subsidies of, say, \$4, \$3, or \$2 per one-way ship-mile for the transportation of mails, depending on the speed of the ship.

In 1920 this act was amended. The first act gave the Postmaster General complete authority, without respect to whether there were appropriations made or not, but the 1920 merchant marine act in a sense modified that act. The 1920 act provided that the Postmaster General and the Shipping Board might enter into contracts for the payment of what I would call a subsidy at a ship-mile rate, or any other rate, for the transportation of mail, but there was a very wise provision in connection with that law which set aside the power that existed under the 1891 law, and this provision which I think was wise provided that these contracts must be entered into subject to an appropriation made for the purpose.

There was no question about the contracts when we had them before us. We disclosed the fact in the hearings on this bill that they had entered into contracts covering 1927 and 1928. The aggregate of the contracts amounted to about \$1,711,000 a year. Incorporated in this amount was \$678,000, which would be the amount that would be paid for the transportation of foreign mails if we paid for the transportation of the mails at the rate of 80 cents a pound. This would show that under the contracts we would not only pay the \$677,000, or 80 cents a pound, but we would pay in addition to that under the contracts a subsidy of \$1,032,960. The Committee on Appropriations, without having any prejudice about anything, but again desiring to get the facts, determined after inquiry that we would not recommend the appropriation of this \$1,032,960. We have not recommended it and we have reduced the appropriation for the transportation of foreign mails by that amount.

We were careful to make inquiry as to what the obligations on the Government would be if we canceled this, and we found there would be no obligation, but we have taken the precaution of saying in this bill, irrespective of the fact that we know there will be no obligation by the cancellation of the appropriation, that no part of the appropriation in this bill shall be used to pay any money under contracts entered into by authority of section 24 of the merchant marine act of 1920. We want you to be advised of that. It may be that we made a mistake. We do not know, but we do not want to make a mistake against the Government if we have made one, and we have not had time to make the study that we ought to make to find all the facts in the case. It may be that you can not operate these ships into the Orient and to the other side of the world without some contribution out of the Treasury of the United States. The next question is how much shall that contribution be, and the next question is how it shall be made and by whom? So we come to you with a presentation of the case, in outline, at any rate, and we ask you to read our inquiry into this question.

Then we have the item for the enforcement of prohibition, altogether more than \$27,000,000. Eleven million nine hundred and ninety thousand dollars of this is for the enforcement under the land forces and \$15,350,000 for the sea forces through the direction of the Coast Guard.

Mr. LAGUARDIA. Will the gentleman yield right there?

Mr. MADDEN. Yes.

Mr. LAGUARDIA. The gentleman will recall that shortly before adjourning last session in the second deficiency bill we made appropriations—

Mr. MADDEN. Of nearly \$2,700,000.

Mr. LAGUARDIA. Yes; on the recommendation of the Assistant Secretary of the Treasury in charge of prohibition that if we gave him this money, he would be able to stop the unlawful importation of liquor at certain points.

The CHAIRMAN. The gentleman from Illinois has consumed one hour.

Mr. MADDEN. I yield myself five minutes more.

I would like to commend the reading of the testimony on that point.

Mr. LAGUARDIA. That is what I have been doing, and I have been very much surprised that the same gentleman now says that at certain points—Detroit, for instance—where he gave absolute assurance to the committee that if we gave him the money he would stop this importation. He now says he is absolutely helpless and can not do it.

Mr. MADDEN. He is doing the best he can.

Mr. LAGUARDIA. That is not very much.

Mr. MADDEN. And he is honest and he is truthful, and that is a lot, you know.

Mr. LAGUARDIA. That is the exception to the rule in that department. [Laughter.]

Mr. MADDEN. Of course, I do not pretend to say what the habit of the individual is who operates in the department generally,

Mr. LAGUARDIA. He admits that of the 19 men he himself appointed, 15 were permitted to resign because they did not have those characteristics which the gentleman describes.

Mr. MADDEN. That is another evidence of his diligence and determination to do the thing that ought to be done.

Mr. LAGUARDIA. What we are interested in is how the law is being enforced.

Mr. MADDEN. We have no inspectors to send out. He says that he thinks that the amount allowed in this bill will be adequate to meet the needs.

Mr. LAGUARDIA. Did the committee smile when he said that?

Mr. MADDEN. No; we do not smile; we are serious.

Mr. SABATH. They said the same thing when we appropriated \$5,000,000.

Mr. VARE. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. VARE. Did not General Andrews assure the committee that he would not ask for any additional appropriation this year?

Mr. MADDEN. He did.

Mr. LAGUARDIA. How is the Pennsylvania supply getting along? [Laughter.]

Mr. VARE. I am not familiar with that.

Mr. LAZARO. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. LAZARO. In relation to the service of the Post Office Department, I understand that a good many changes are being made in the rural-delivery routes.

Mr. MADDEN. There are some consolidations and some extensions.

Mr. LAZARO. We receive letters and telegrams from places protesting against the proposed changes, and the answer is always that those changes are being made on the ground of economy.

Mr. MADDEN. They are making these changes under the law.

Mr. LAZARO. The complaint of the people is that it is interfering with the service. Has the gentleman any information about it?

Mr. MADDEN. We have this knowledge as the result of our examinations. We do not go on the ground, of course, as the gentleman knows, but it is said that no change is made in a rural-delivery route except after a careful examination and scrutiny to see that no one on the route is inconvenienced; that they are only carrying out the law, which compels them to make examinations, consolidations, and extensions, and they are doing it so slowly that I would like to see them doing it a little more rapidly.

Mr. LAZARO. How much was appropriated for the service last year?

Mr. MADDEN. About \$105,000,000. This year it is about the same.

Mr. LAZARO. If the Postal Service is growing, does not the gentleman believe that we ought to appropriate more for that service?

Mr. MADDEN. We have given careful investigation to the question of rural routes, and we are assured by the department that they only have 40 applications on file for additional routes, and that they are investigating every application and making quick disposition of it, and they have expedited and passed upon the applications in accordance with the promises made to Congress at the last session. They say that they will meet every demand of the rural people at the earliest opportunity.

Mr. LAZARO. I think the gentleman will admit that they are going very slowly in that direction.

Mr. MADDEN. Mr. Chairman, that is all that I have to say at present. I ask leave to extend my remarks in the RECORD.

The CHAIRMAN. Without objection the request of the gentleman from Illinois [Mr. MADDEN] will be granted.

There was no objection.

Mr. MADDEN. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. SNELL, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 14557, the Treasury and Post Office appropriation bill, and had come to no resolution thereon.

WITHDRAWAL OF PAPERS

By unanimous consent—

Mr. TINKHAM was given leave to withdraw from the files of the House without leaving copies papers in the case of

Bernice L. Blair, H. R. 1015, Sixty-sixth Congress, first session, no adverse report having been made thereon.

Mr. FRENCH was given leave to withdraw from the files of the House without leaving copies papers in the case of Anderson Cox, H. R. 1298, Sixty-eight Congress, first session. Committee on Pensions, no adverse report having been made thereon.

LEAVE OF ABSENCE

By unanimous consent the following leaves of absence were granted:

To Mr. BELL, for several days, on account of illness.

To Mr. WAINWRIGHT, for the balance of the week, on account of death in the family.

To Mr. STEPHENS, indefinitely, on account of illness.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed the following resolution:

Senate Resolution 284

Resolved, That the Senate has heard with deep regret and profound sorrow the announcement of the death of the Hon. WILLIAM B. MCKINLEY, late a Senator from the State of Illinois.

Resolved, That a committee of 15 Senators be appointed by the Vice President to take orders for superintending the funeral of the deceased.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now adjourn.

Pursuant to the foregoing resolutions, the Vice President had appointed Mr. DENEEN, Mr. ROBINSON of Arkansas, Mr. MOSES, Mr. OVERMAN, Mr. McNARY, Mr. FLETCHER, Mr. SHORTEIDGE, Mr. ASHURST, Mr. WELLER, Mr. BROUSSARD, Mr. FESS, Mr. HARRIS, Mr. ERNST, Mr. STEPHENS, and Mr. TYSON as members of the committee to take orders for superintending the funeral of the deceased.

DEATH OF SENATOR WILLIAM B. MCKINLEY

Mr. MADDEN. Mr. Speaker, I present the following resolutions for immediate consideration.

The Clerk read as follows:

House Resolution 325

Resolved, That the House has heard with profound sorrow of the death of the Hon. WILLIAM BROWN MCKINLEY, a Senator of the United States from the State of Illinois.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That a committee of 18 Members be appointed on the part of the House to join the committee appointed on the part of the Senate to attend the funeral.

The resolution was agreed to.

The SPEAKER appointed as committee on the part of the House Mr. MADDEN, Mr. RAINEY, Mr. SABATH, Mr. BRITTEN, Mr. DENISON, Mr. KING, Mr. WILLIAMS, Mr. CHINDBLOM, Mr. YATES, Mr. KUNZ, Mr. FUNK, Mr. MICHAELSON, Mr. SPROUL of Illinois, Mr. WILLIAM E. HULL, Mr. ARNOLD, Mr. ADKINS, Mr. BURTON, and Mr. MONTAGUE.

The Clerk read the remainder of the resolution, as follows:

Resolved, That as a further mark of respect the House do now adjourn.

ADJOURNMENT

The resolution was agreed to; accordingly (at 1 o'clock and 40 minutes p. m.) the House adjourned until to-morrow, Thursday, December 9, 1926, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings for Thursday, December 9, 1926, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON APPROPRIATIONS

(10 a. m.)

War Department appropriation bill.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

723. A letter from the Attorney General, transmitting a statement of the expenditures under appropriations for the

United States Court of Customs Appeals for the fiscal year ended June 30, 1926; to the Committee on Appropriations.

724. A letter from the Secretary of the Treasury, transmitting a report showing exchange of typewriters, adding machines, and other similar labor-saving devices in part payment for new machines during the fiscal year ended June 30, 1926; to the Committee on Appropriations.

725. A letter from the Secretary of the Navy, transmitting a report by the Chief of the Bureau of Navigation and the major general commandant, United States Marine Corps, relative to the administration of the World War adjusted compensation act (H. Doc. No. 564); to the Committee on Ways and Means and ordered to be printed.

726. A letter from the Librarian of Congress, transmitting annual report of the Library of Congress for the fiscal year ended June 30, 1926; to the Committee on the Library.

727. A letter from the Secretary of the Treasury, transmitting a statement of the proceeds of all sales of old materials, condemned stores, supplies, and other public property for the fiscal year ended June 30, 1926, deposited and covered into the Treasury as miscellaneous receipts; to the Committee on Expenditures in the Treasury Department.

728. A letter from the Secretary of the Treasury, transmitting a communication from the Surgeon General, United States Public Health Service, transmitting a detailed report of the expenditures under the appropriation "Preventing the spread of epidemic diseases," for the fiscal year ended June 30, 1926; to the Committee on Expenditures in the Treasury Department.

729. A letter from the Secretary of the Treasury, transmitting a communication from the executive officer, Office of Supervising Architect, Treasury Department, transmitting a report of rental collections on account of public buildings and sites, privileges, and ground rent, under the control of the Treasury Department outside of the District of Columbia; to the Committee on Public Buildings and Grounds.

730. A letter from the Secretary of the Treasury, transmitting a report from the Departments of Commerce, Interior, and War, and the United States Shipping Board, relative to money received during the fiscal year ended June 30, 1926, which was not paid into the General Treasury of the United States, and the payments, if any, made from such funds during such fiscal year; to the Committee on Expenditures in the Treasury Department.

731. A letter from the Secretary of War, transmitting 468 reports of inspections of disbursements and transfers by officers of the Army received in the Inspector General's office during the fiscal year ended June 30, 1926; to the Committee on Expenditures in the War Department.

732. A letter from the Secretary of War, transmitting report of expenditures on account of appropriation "Contingent expenses, War Department," during the fiscal year ended June 30, 1926; to the Committee on Expenditures in the War Department.

733. A letter from the Secretary of War, transmitting report of expenditures on account of appropriation "Contingencies of the Army" during the fiscal year ended June 30, 1926; to the Committee on Expenditures in the War Department.

734. A letter from the Secretary of the Treasury, transmitting estimates of receipts of Indian tribal funds, expenditures recommended therefrom by the Secretary of the Interior for the benefit of Indians, and estimates of amounts required to be expended under treaty stipulations and agreements for the fiscal year ended June 30, 1926; to the Committee on Indian Affairs.

735. A letter from the Secretary of War, transmitting a report of an inspection of the several branches of the National Home for Disabled Volunteer Soldiers by an officer of the Inspector General's Department (H. Doc. No. 563); to the Committee on Military Affairs and ordered to be printed.

736. A letter from the Civil Service Commission, transmitting a report showing in detail what officers and employees of the commission have traveled on official business from Washington to points outside of the District of Columbia during the fiscal year ended June 30, 1926; to the Committee on Appropriations.

737. A letter from the Secretary of the Treasury, transmitting a statement showing claims for refund approved by the Commissioner of Internal Revenue during the fiscal year ended June 30, 1926; to the Committee on Ways and Means.

738. A letter from the chairman of the Interstate Commerce Commission, transmitting copies of the valuations of properties of certain carriers in the United States; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. MADDEN: Committee on Appropriations. H. R. 14557. A bill making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1928, and for other purposes; without amendment (Rept. No. 1608). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLY: Committee on the Post Office and Post Roads. H. R. 13445. A bill to provide for graduated special-handling postage charges, according to the weights of the parcels and to extend special-delivery service to such parcels of fourth-class matter; without amendment (Rept. No. 1609). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLY: Committee on the Post Office and Post Roads. H. R. 13446. A bill to restore the rate of postage of 1 cent each to private mailing or post cards; without amendment (Rept. No. 1610). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLY: Committee on the Post Office and Post Roads. H. R. 13447. A bill to provide for an additional charge on first-class matter mailed short paid more than one rate; without amendment (Rept. No. 1611). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLY: Committee on the Post Office and Post Roads. H. R. 13448. A bill authorizing the transmission of business reply cards in the mails and prescribing the rate of postage thereon; without amendment (Rept. No. 1612). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLY: Committee on the Post Office and Post Roads. H. R. 13449. A bill to amend section 203 of Title II of the act of February 28, 1925, by prescribing a more equitable rate for transient second-class mail matter; without amendment (Rept. No. 1613). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolution were introduced and severally referred as follows:

By Mr. MADDEN: A bill (H. R. 14557) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1928, and for other purposes; to the Committee of the Whole House on the state of the Union.

By Mr. LINEBERGER: A bill (H. R. 14558) to increase rates of pensions to certain widows of Civil War veterans; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 14559) granting increases of pensions to certain widows of soldiers, sailors, and marines of the Civil War; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14560) to fix the salaries of certain judges of the Territories of the United States; to the Committee on the Judiciary.

By Mr. STEVENSON: A bill (H. R. 14561) to amend the Federal reserve act, sections 3 and 4; to the Committee on Banking and Currency.

By Mr. BLACK of New York: A bill (H. R. 14562) to establish the Federal alcoholic liquor board in the Department of Agriculture to aid in putting the agricultural industry on a sound commercial basis by providing incentives to crop diversification and a market for surplus farm products; to the Committee on Agriculture.

By Mr. FISHER: A bill (H. R. 14563) to amend section 107 of the Judicial Code; to the Committee on the Judiciary.

By Mr. NEWTON of Missouri: A bill (H. R. 14564) authorizing the city of St. Louis to acquire by condemnation, to hold in perpetuity, manage, and control the use and operation of the highway or upper deck of the Eads Bridge crossing the Mississippi River between St. Louis, Mo., and East St. Louis, Ill., and prescribing the procedure for such condemnation; to the Committee on Interstate and Foreign Commerce.

By Mr. LEAVITT: A bill (H. R. 14565) to amend the Federal highway act; to the Committee on Roads.

By Mr. SANDERS of Texas: A bill (H. R. 14566) to amend an act entitled "An act to pension the survivors of certain Indian wars from January 1, 1859, to January, 1891, inclusive, and for other purposes," approved March 4, 1917; to the Committee on Pensions.

By Mr. SMITH: A bill (H. R. 14567) authorizing the Comptroller General of the United States to allow credits to disbursing agents of the Bureau of Reclamation, Department of

the Interior, in certain cases; to the Committee on Irrigation and Reclamation.

By Mr. CANNON: A bill (H. R. 14568) to amend section 2 of the pension act approved July 3, 1926, so as to increase the pension of certain soldiers, sailors, and marines of the Civil and Mexican Wars to \$90 per month; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14569) to amend section 2 of the pension act approved July 3, 1926, so as to increase the pension of widows of soldiers, sailors, and marines of the Civil and Mexican Wars to \$50 a month; to the Committee on Invalid Pensions.

By Mr. GARNER of Texas: A bill (H. R. 14570) to reduce the income tax on corporations and to repeal certain nuisance taxes; to the Committee on Ways and Means.

By Mr. GILBERT: Concurrent resolution (H. Con. Res. 40) proposing a referendum to ascertain whether or not popular sentiment in the Philippine Islands favors immediate independence; to the Committee on Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADKINS: A bill (H. R. 14571) granting an increase of pension to Nianna M. Ruckel; to the Committee on Pensions.

By Mr. ALLEN: A bill (H. R. 14572) granting a pension to Samuel Craig; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14573) granting an increase of pension to Martha Tharp; to the Committee on Invalid Pensions.

By Mr. ARNOLD: A bill (H. R. 14574) granting an increase of pension to Samantha A. Brougher; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14575) granting an increase of pension to Eliza A. Mills; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14576) granting an increase of pension to Jane Timmons; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14577) for the relief of Armstrong Hunter; to the Committee on Military Affairs.

By Mr. AYRES: A bill (H. R. 14578) granting an increase of pension to Fermon L. Botkin; to the Committee on Invalid Pensions.

By Mr. BACON: A bill (H. R. 14579) granting an increase of pension to Henrietta H. Gordon; to the Committee on Invalid Pensions.

By Mr. BEERS: A bill (H. R. 14580) granting an increase of pension to Catharine Roush; to the Committee on Invalid Pensions.

By Mr. BURDICK: A bill (H. R. 14581) granting a pension to Elizabeth Campbell; to the Committee on Invalid Pensions.

By Mr. CLAGUE: A bill (H. R. 14582) granting an increase of pension to Caroline Laudenschlager; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14583) granting an increase of pension to Cecelia Schilling; to the Committee on Invalid Pensions.

By Mr. COOPER of Ohio: A bill (H. R. 14584) to correct the military record of Clayton R. Miller; to the Committee on Military Affairs.

By Mr. EATON: A bill (H. R. 14585) granting an increase of pension to Mary M. Knowles; to the Committee on Invalid Pensions.

By Mr. ELLIS: A bill (H. R. 14586) granting an increase of pension to Mabel P. Jewett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14587) granting an increase of pension to Martha J. Harris; to the Committee on Invalid Pensions.

By Mr. ESTERLY: A bill (H. R. 14588) granting an increase of pension to Mary B. Davis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14589) granting an increase of pension to Hannah M. J. Myers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14590) granting an increase of pension to Mahala Bierbower; to the Committee on Invalid Pensions.

By Mr. FISHER: A bill (H. R. 14591) authorizing the President to appoint William V. Pruett to the position and rank of major, Medical Corps, in the United States Army; to the Committee on Military Affairs.

By Mr. FRENCH: A bill (H. R. 14592) granting a pension to Mary J. Departee; to the Committee on Pensions.

Also, a bill (H. R. 14593) granting a pension to Elizabeth Randolph; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14594) granting a pension to Penelope A. Harvey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14595) granting an increase of pension to Lucretia B. Simons; to the Committee on Invalid Pensions.

By Mr. GAMBRILL: A bill (H. R. 14596) for the relief of Maclane Cawood; to the Committee on Claims.

By Mr. HASTINGS: A bill (H. R. 14597) for the relief of First Lieut. Lawrence G. Smith, Fourteenth Cavalry, University of Georgia, Athens, Ga.; to the Committee on Military Affairs.

Also, a bill (H. R. 14598) granting an increase of pension to Awena M. Garner; to the Committee on Invalid Pensions.

By Mr. HOGG: A bill (H. R. 14599) granting a pension to Eudora Boyles; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14600) granting an increase of pension to Malinda McGinnis; to the Committee on Invalid Pensions.

By Mr. JAMES: A bill (H. R. 14601) granting an increase of pension to Teresa Fisher; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14602) granting an increase of pension to Kate A. Hickey; to the Committee on Invalid Pensions.

By Mr. JENKINS: A bill (H. R. 14603) granting a pension to Samuel L. Bostic; to the Committee on Invalid Pensions.

By Mr. KEARNS: A bill (H. R. 14604) granting an increase of pension to Nancy Shiveley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14605) granting an increase of pension to Nannie J. Knox; to the Committee on Invalid Pensions.

By Mr. KINCHELOE: A bill (H. R. 14606) granting a pension to Stephen Escol Pate; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14607) to reimburse Ben C. Rash for amount expended by him in developing a loading device for the Lewis machine gun to meet the urgent need in connection with the use of said gun by the War Department during the war; to the Committee on Claims.

Also, a bill (H. R. 14608) granting a pension to Arthura Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14609) granting a pension to Lucy C. Ratliff; to the Committee on Invalid Pensions.

By Mr. LEAVITT: A bill (H. R. 14610) granting a pension to Rose A. Sargent; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14611) granting a pension to Richard H. Murch; to the Committee on Invalid Pensions.

By Mr. LOZIER: A bill (H. R. 14612) granting a pension to John Street; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14613) granting an increase of pension to Annie Thomas; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14614) granting an increase of pension to Catherine Weltner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14615) granting an increase of pension to Mary E. Wooley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14616) granting an increase of pension to Mary E. Nordyke; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14617) granting a pension to Mary Elizabeth Roberts; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14618) granting an increase of pension to Mary A. Simpson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14619) granting an increase of pension to Susan M. Snowden; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14620) granting an increase of pension to Samuel Mason; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14621) granting an increase of pension to Hannah V. Medlin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14622) granting an increase of pension to Martha J. Lewis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14623) granting an increase of pension to Nancy Lemon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14624) granting an increase of pension to Martha E. Humphreys; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14625) granting an increase of pension to Mary E. Hubler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14626) granting an increase of pension to Vina Herron; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14627) granting a pension to Amanda Henderson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14628) granting an increase of pension to Lydia Haven; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14629) granting an increase of pension to Ellen C. Fletcher; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14630) granting an increase of pension to Louisa Fleetwood; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14631) granting an increase of pension to Mary E. Fellows; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14632) granting an increase of pension to Sarah Doolin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14633) granting an increase of pension to Fetney J. DeVore; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14634) granting an increase of pension to George Ann Cunningham; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14635) granting an increase of pension to Mary A. Delay; to the Committee on Pensions.

Also, a bill (H. R. 14636) granting a pension to Agnes L. Davis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14637) granting an increase of pension to Sarah C. Coliver; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14638) granting an increase of pension to Nancy A. Cary; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14639) granting an increase of pension to Mary E. Brann; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14640) granting an increase of pension to Anna Blue; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14641) granting an increase of pension to Pauline E. Beals; to the Committee on Invalid Pensions.

By Mr. MILLIGAN: A bill (H. R. 14642) for the relief of F. H. Alexander; to the Committee on Military Affairs.

By Mr. MENGES: A bill (H. R. 14643) granting an increase of pension to Mary S. Heidler; to the Committee on Invalid Pensions.

By Mr. MOORE of Ohio: A bill (H. R. 14644) granting an increase of pension to Martha B. Axline; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14645) granting a pension to Cora L. Kraft; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14646) granting an increase of pension to Lucretia M. De Long; to the Committee on Invalid Pensions.

By Mr. MORGAN: A bill (H. R. 14647) granting an increase of pension to Laura E. Hancock; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14648) granting an increase of pension to Martha Barrick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14649) granting an increase of pension to Sarah E. Robinson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14650) granting an increase of pension to Sophia Slick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14651) granting an increase of pension to Catherine Doupp; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14652) granting an increase of pension to Emma J. Tibbits; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14653) granting an increase of pension to Mary A. Clements; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14654) granting an increase of pension to Amelia Hartupee; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14655) granting an increase of pension to Melissa E. Henderson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14656) granting an increase of pension to Jennie M. Raley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14657) granting an increase of pension to Jennie Stephens; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14658) granting an increase of pension to Sarah Barrett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14659) granting an increase of pension to Mary A. Dewitt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14660) granting an increase of pension to Mary A. Dailey; to the Committee on Invalid Pensions.

By Mr. PATTERSON: A bill (H. R. 14661) granting a pension to Anna Jane Pancoast Jones; to the Committee on Invalid Pensions.

By Mr. PHILLIPS: A bill (H. R. 14662) granting a pension to Victor Clark; to the Committee on Invalid Pensions.

By Mr. QUAYLE: A bill (H. R. 14663) to advance Werdebaugh Ramsey on the retired list of the United States Navy; to the Committee on Naval Affairs.

By Mr. RUBEY: A bill (H. R. 14664) for the relief of Dennis W. Scott; to the Committee on Military Affairs.

Also, a bill (H. R. 14665) granting a pension to Mary Margaret Binkley; to the Committee on Invalid Pensions.

By Mr. STRONG of Pennsylvania: A bill (H. R. 14666) granting a pension to Harry S. Beyer; to the Committee on Invalid Pensions.

By Mr. SWANK: A bill (H. R. 14667) for the relief of J. C. McConnell; to the Committee on Claims.

Also, a bill (H. R. 14668) granting a pension to Cora Irvin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14669) granting a pension to Nancy C. Cole; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14670) granting an increase of pension to Edward Shaw; to the Committee on Pensions.

Also, a bill (H. R. 14671) granting an increase of pension to Mary A. Wesley; to the Committee on Invalid Pensions.

By Mr. TILSON: A bill (H. R. 14672) authorizing certain officers and enlisted men of the United States Navy to accept foreign decorations; to the Committee on Foreign Affairs.

By Mr. TIMBERLAKE: A bill (H. R. 14673) granting an increase of pension to Etta A. Dunham; to the Committee on Invalid Pensions.

By Mr. TOLLEY: A bill (H. R. 14674) granting a pension to Amanda A. Race; to the Committee on Invalid Pensions.

By Mr. VINCENT of Michigan: A bill (H. R. 14675) granting an increase of pension to Floyd L. Green; to the Committee on Pensions.

Also, a bill (H. R. 14676) granting an increase of pension to Susan Bruce; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14677) granting a pension to Diadema Reed; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14678) granting a pension to Helen M. Stevens; to the Committee on Invalid Pensions.

By Mr. WINGO: A bill (H. R. 14679) granting a pension to John S. Jarrett; to the Committee on Pensions.

Also, a bill (H. R. 14680) granting a pension to Samuel Weakley; to the Committee on Pensions.

By Mr. WINTER: A bill (H. R. 14681) granting a pension to Charles W. Nelson; to the Committee on Pensions.

By Mr. WYANT: A bill (H. R. 14682) granting an increase of pension to Anna M. Zimmerman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14683) granting an increase of pension to Mary J. France; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3277. By Mr. EVANS: Petition of veterans in Montana Soldiers' Home at Columbia Falls, Mont., urging passage of Leatherwood bill (H. R. 12532) for increase in pension of Indian war veterans; to the Committee on Pensions.

3278. By Mr. GALLIVAN: Petition of Sherman L. Whipple, Tremont Building, 73 Tremont Street, Boston, Mass., and others, recommending favorable consideration of House bill 10554, providing for the increasing of salaries of Federal judges; to the Committee on the Judiciary.

3279. By Mr. KINDRED: Petition of the National Council of Catholic Women, protesting against the régime of tyranny and oppression by which the present Mexican Government denies to the Catholic Church and to the clergy the right to own and administer property; destroys the corporate existence of the church, as such; denies to third parties, even to civil associations, the right to own or administer property devoted to religion or benevolence; and appealing to the Government of the United States to accept the moral responsibility, which, before the nations of America and the world, it should have toward the people of Mexico, etc.; to the Committee on Foreign Affairs.

3280. Also, petition of the New York State Bankers' Association, urging upon the Congress of the United States the imperative necessity of immediate legislation to insure the perpetuation of the Federal reserve system and the Federal reserve banks, and to amend the national bank act so that national banks may be placed upon an equality of opportunity with banking institutions operating under the laws of the several States, and the new institutions may seek national instead of State charters to the end that the national banking system may be increased in strength and usefulness, and to pass the McFadden bill (H. R. 2) without the Hull amendments; to the Committee on Banking and Currency.

3281. Also, petition of the American Federation of Labor, urging the Congress to enact into law without further delay the longshoremen and harbor workers bill, known as Senate bill 3170 and House bill 9498, which provide compensation for employees injured and dependents of employees killed in certain maritime employment, and that such compensation shall be paid by the United States Employees' Compensation Commission; to the Committee on the Judiciary.

3282. By Mr. MAGEE of Pennsylvania: Petition by the City Council of Pittsburgh, Pa., urging a bill to regulate radio broadcasting; to the Committee on the Merchant Marine and Fisheries.

3283. By Mr. MORIN: Petition of the council of the city of Pittsburgh, Pa., urging the passage of a bill to regulate radio broadcasting; to the Committee on the Merchant Marine and Fisheries.

3284. By Mr. O'CONNELL of New York: Petition of the National Council of Catholic Women, national headquarters, Washington, D. C., in convention assembled at Milwaukee, Wis.,

October 10-13, 1926, that we appeal to the Government of the United States to accept the moral responsibility which, before, the nations of America and the world, we should have toward the people of Mexico, and in loyalty to our national traditions we demand that our Government express, in terms that are clear and unmistakable, the abhorrence in which people of our country hold the attempt that is being made in Mexico by a government, not representative and which has no mandate from the Mexican people, to root out in that great nation, the principles of liberty and justice and the institutions of democracy which we hold sacred; to the Committee on Foreign Affairs.

3285. Also, petition of New York State Bankers Association, favoring the passage of the McFadden banking bill, without the Hull amendments; to the Committee on Banking and Currency.

3286. Also, petition of the Chamber of Commerce of the United States of America, favoring the passage of the Federal judges salary increase legislation; to the Committee on the Judiciary.

3287. Also, petition of Moses H. Grossman, of 115 Broadway, New York City, favoring the passage of the Federal judges salary increase legislation; to the Committee on the Judiciary.

3288. By Mr. ROBSION of Kentucky: Petition of Hardin County Medical Society, protesting against the proposed amendment to the narcotic act; to the Committee on Ways and Means.

3289. By Mr. SMITH: Petition signed by Edward Tolmie and 11 other citizens of Blackfoot, Idaho, protesting against the enactment of legislation providing for compulsory Sunday closing; to the Committee on the District of Columbia.

3290. Also, petition signed by J. A. Isaacson and 28 other citizens of Blackfoot, Idaho, protesting against the enactment of legislation providing for compulsory Sunday closing; to the Committee on the District of Columbia.

3291. By Mr. STALKER: Petition of citizens of Elmira, N. Y., urging the enactment of legislation granting an increase in pension for veterans of the Indian wars, their widows, and dependents; to the Committee on Pensions.

SENATE

THURSDAY, December 9, 1926

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our heavenly Father, lover of our souls and ever ready to help us in time of need, we return to Thee thanks for another morning opening before us. For every service that may be rendered we beseech of Thee to give Thy necessary guidance, so that everything shall be done agreeably to Thy mind and will. Be near unto us and grant unto each the wisdom necessary for this day's duties. We ask in Christ Jesus' name. Amen.

RALPH H. CAMERON, a Senator from the State of Arizona, JAMES A. REED, a Senator from the State of Missouri, ELLISON D. SMITH, a Senator from the State of South Carolina, and JAMES E. WATSON, a Senator from the State of Indiana, appeared in their seats to-day.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of yesterday's proceedings when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

PRESIDENTIAL APPROVAL

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that on December 8, 1926, the President approved and signed the joint resolution (S. J. Res. 125) limiting the time for which licenses for radio transmission may be granted, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, communicated to the Senate the resolutions of the House unanimously adopted as a tribute to the memory of Hon. WILLIAM BROWN MCKINLEY, late a Senator from the State of Illinois.

ENROLLED BILL SIGNED

The message announced that the Speaker had affixed his signature to the enrolled bill (H. R. 11662) authorizing an expenditure of tribal funds of the Crow Indians of Montana to employ counsel to represent them in their claim against the United States, and it was subsequently signed by the Vice President.

SENATOR FROM IOWA

The VICE PRESIDENT laid before the Senate the certificate of election of SMITH W. BROOKHART, of Iowa, which was read and ordered to be placed on file, as follows:

STATE OF IOWA,
EXECUTIVE DEPARTMENT.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 2d day of November, 1926, SMITH W. BROOKHART was duly chosen by the qualified electors of the State of Iowa a Senator from said State to represent said State in the Senate of the United States, for a term of six years, beginning on the 4th day of March, 1927.

Witness: His excellency our governor, John Hammill, and our great seal hereto affixed at Des Moines this 7th day of December, in the year of our Lord 1926.

JOHN HAMMILL,
Governor.

By the Governor:
[SEAL.]

W. C. RAMSAY,
Secretary of State.

SENATOR FROM UTAH

Mr. KING. I send to the desk and ask to have read the certificate of election of my colleague [Mr. SMOOT] for the term commencing March 4, 1927.

The credentials were read and ordered to be placed on file, as follows:

STATE OF UTAH,
EXECUTIVE DEPARTMENT.

I, H. E. Crockett, secretary of state of the State of Utah, do hereby certify that on Tuesday, the 2d day of November, A. D. 1926, at a general election held within and for said State, REED SMOOT was duly elected to the office of United States Senator of the State of Utah for the term of six years, as appears from the returns of said election, which have been duly canvassed and certified.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State of Utah this 1st day of December, A. D. 1926.

H. E. CROCKETT,
Secretary of State.

COMMITTEE SERVICE

Mr. ROBINSON of Arkansas. With the approval of the chairman of the majority conference I ask consent for the consideration of the following orders.

The orders were read and agreed to as follows:

Ordered, That the Senator from Missouri, Mr. HAWES, be assigned for the minority on the Committee on Interstate Commerce; and

Ordered, That the Senator from Massachusetts, Mr. WALSH, be assigned for the minority on the Committee on Finance.

THE BUDGET

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying document, referred to the Committee on Appropriations:

To the Congress of the United States:

Herewith is transmitted the Budget of the United States for the fiscal year ending June 30, 1928. The receipts and expenditures shown in detail in the Budget are summarized in the following statement:

Summary (exclusive of postal revenues and postal expenditures paid from postal revenues)

	Estimated, 1928	Estimated, 1927	Actual, 1926
Receipts:			
Customs.....	\$601,800,000.00	\$618,800,000.00	\$579,430,092.86
Income tax.....	2,090,000,000.00	2,100,000,000.00	1,982,040,088.58
Miscellaneous internal revenue.....	568,985,000.00	619,685,000.00	855,599,289.26
Miscellaneous receipts.....	511,968,077.00	600,295,088.00	545,686,219.44
Total receipts.....	3,772,753,077.00	4,028,780,688.00	3,962,755,690.14
Total expenditures (including reduction of the public debt required by law to be made from ordinary receipts).....	3,572,049,214.00	3,643,701,593.00	3,584,987,873.50
Excess of receipts.....	200,703,863.00	385,079,095.00	377,767,816.64

In carrying out the purposes of the Budget system so wisely prescribed by the Congress in June, 1921, the executive branch and the legislative branch of the Government have been collaborators. It has been a great demonstration of cooperation made possible by our form of government. The results of this united effort have gone directly to the people of this Nation.